

SHUANG YUN HOLDINGS LIMITED 雙運控股有限公司

(Incorporated in the Cayman Islands with limited liability)

Stock Code: 1706



ANNUAL REPORT

2021

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Corporate Information

EXECUTIVE DIRECTORS

Mr. Tan Chai Ling (alias Mr. Chen Zhilong)
(Chairman and Chief Executive Officer)
Ms. Alynda Tan Hue Hong
Ms. Chong Sook Fern (alias Ms. Zhang Shufen)

INDEPENDENT NON-EXECUTIVE DIRECTORS

Prof. Pong Kam Keung
Mr. Siu Man Ho Simon
Mr. Yau Chung Hang

COMPANY SECRETARY

Ms. Leung Hoi Yan

AUTHORISED REPRESENTATIVES

Ms. Alynda Tan Hue Hong
Ms. Leung Hoi Yan

AUDIT COMMITTEE

Mr. Yau Chung Hang *(Chairman)*
Prof. Pong Kam Keung
Mr. Siu Man Ho Simon

REMUNERATION COMMITTEE

Mr. Yau Chung Hang *(Chairman)*
Mr. Tan Chai Ling (alias Mr. Chen Zhilong)
Mr. Siu Man Ho Simon

NOMINATION COMMITTEE

Mr. Tan Chai Ling (alias Mr. Chen Zhilong)
(Chairman)
Mr. Yau Chung Hang
Prof. Pong Kam Keung

REGISTERED OFFICE

Cricket Square Hutchins Drive
PO Box 2681 Grand Cayman KY1-1111
Cayman Islands

HEAD OFFICE AND PRINCIPAL PLACE OF BUSINESS IN SINGAPORE

No. 4 Sungei Kadut Street 2
Sungei Kadut Industrial Estate
Singapore 729226

PRINCIPAL PLACE OF BUSINESS IN HONG KONG

Unit B, 17/F, United Centre
95 Queensway, Hong Kong

PRINCIPAL SHARE REGISTRAR AND TRANSFER OFFICE

Conyers Trust Company (Cayman) Limited
Cricket Square Hutchins Drive
PO Box 2681 Grand Cayman KY1-1111
Cayman Islands

HONG KONG BRANCH SHARE REGISTRAR AND TRANSFER OFFICE

Computershare Hong Kong Investor
Services Limited
Shops 1712-1716
17th Floor Hopewell Centre
183 Queen's Road East, Wanchai
Hong Kong

AUDITOR

RSM Hong Kong *(Public Interest Entity Auditor registered in accordance with the Financial Reporting Council Ordinance)*
29th Floor, Lee Garden Two
28 Yun Ping Road
Causeway Bay
Hong Kong

PRINCIPAL BANKERS

The Hongkong and Shanghai Banking
Corporation Limited
DBS Bank Ltd
Malayan Banking Berhad

COMPANY'S WEBSITE

www.shuangyunholdings.com

STOCK CODE

1706

Note: In the case of any inconsistency between the Chinese translation and the English text of this Annual Report, the English text shall prevail.

Chairman's Statement

Dear Shareholders,

On behalf of the board of directors (the “**board**”) of Shuang Yun Holdings Limited (the “**Company**”) and its subsidiaries (collectively, the “**Group**”), I would like to present to our shareholders the annual report of our Group for the year ended 31 December 2021.

During the year ended 31 December 2021, the revenue of our Group was approximately S\$78.4 million, representing an increase by approximately 19.9% from approximately S\$65.4 million for the year ended 31 December 2020. Our gross profit increase from approximately S\$9.6 million for the year ended 31 December 2020 to approximately S\$11.9 million for the year ended 31 December 2021, representing an increase of approximately 24%. The increase in revenue and corresponding gross profit were mainly attributable to low base effects as most construction works were suspended during the Circuit Breaker last year.

According to the press release by the Building and Construction Authority (BCA), the value of certified progress payments is projected to increase to between S\$29 billion to S\$32 billion for 2022, from the preliminary estimate of about S\$26 billion for 2021, to account for a steady level of construction demand and backlog from the pandemic.

As for the medium term, the BCA expects total construction demand to reach between S\$25 billion and S\$32 billion per year from 2023 to 2026, also led by the public sector.

BCA expects about half the public construction demand to come from civil engineering works. It noted that major developments in the pipeline include MRT projects, the Toa Payoh Integrated Development and new hospital developments.

Look ahead, our Group is positive about the prospects of the road construction market and construction ancillary service market in Singapore. As these public infrastructure projects are larger scale projects which will generally require more resources, we will continue to invest and expand our capacity by acquiring more machinery and also expand our workforce to support our operations.

On behalf of the Board, I would like to express our gratitude to all our customers, management and staff of our Group, business partners and shareholders for their continuous support.

Shuang Yun Holdings Limited
Tan Chai Ling
Chairman

31 March 2022

Management Discussion and Analysis

BUSINESS REVIEW

Our Group is a Singapore based contractor engaged in road works services and construction ancillary services. The road works services provided comprise of mainly: (i) road construction services (i.e. new road construction, road widening, and construction of road-related facilities); and (ii) construction ancillary services (e.g. road pavement and marking maintenance works, and road upgrading services).

INDUSTRY REVIEW

Although the COVID-19 vaccination programmes are well underway across major economies in the world, an end to the pandemic is far from assured with the emergence of new COVID-19 variants which will possibly impede the global economic recovery. In construction industry, manpower shortages have adversely affected the pace of construction activities and dampened output in the sector. The industry is expected to continue to record high growth in 2021, though this will be due to the large contractions in the corresponding period in 2020, with the output of the industry in 2021 expected to be 10.5% lower than in 2019.

The Government recognises the challenges faced by the construction sector, and has implemented several measures to alleviate the tight manpower situation in the sector. These measures include making it easier for construction firms to retain their existing workers, and helping them to bring in new workers. Firms in the sector have also taken the lead to bring in more workers safely through a tightened end-to-end process. The Government remains committed to working with firms in the sector to meet the manpower needs of key ongoing projects.

As Building and Construction Authority (BCA) continue to transit to a COVID-19 resilient nation, and in line with the national move to simplify and rationalise COVID-19 rules, BCA will be streamlining the COVID-19 requirements for the Construction Sector. And with effect from 15 March 2022, construction companies will no longer need to apply to BCA for approval of resumption and/or commencement of works and deployment of personnel to construction worksites and supply works premises. This will allow all construction worksite activities to start once the requisite permits and approvals have been obtained from the Commissioner of Building Control, similar to pre-COVID times.

FINANCIAL REVIEW

Revenue

Our Group's revenue for the year ended 31 December 2021 was approximately S\$78.4 million, representing a growth of approximately 19.9% as compared to that of approximately S\$65.4 million for the same period of previous year. The increase in revenue was mainly attributable to that our construction work has gradually recovered from the impact of COVID-19.

Gross profit

Our Group's gross profit increased from approximately S\$9.6 million for the year ended 31 December 2020 to approximately S\$11.9 million for the year ended 31 December 2021, representing an increase of approximately 24%. The increase in gross profit is attributable to the low base effects as most construction works were suspended during the Circuit Breaker last year.

Our Group's gross profit margin increased from approximately 14.6% for the year ended 31 December 2020 to approximately 15.2% for the year ended 31 December 2021.

Management Discussion and Analysis

Other income

Other income decreased from approximately S\$2.8 million for the year ended 31 December 2020 to approximately S\$1.9 million for the year ended 31 December 2021. Such decrease was mainly due to the decrease in government grants for the year ended 31 December 2021.

Administrative expenses

Administrative expenses were remained at approximately S\$9.6 million for the year ended 31 December 2020 and 2021.

Finance costs

Finance costs increased from approximately S\$2.4 million for the year ended 31 December 2020 to approximately S\$2.5 million for the year ended 31 December 2021.

Income tax expense

Our Group's income tax expense was S\$0.1 million for the year ended 31 December 2021, which was primarily due to the increase in the profit before tax from approximately S\$0.6 million for the year ended 31 December 2020 to approximately S\$2.1 million for the year ended 31 December 2021.

Profit for the year

Profit after tax increased from approximately S\$0.6 million for the year ended 31 December 2020 to approximately S\$2.0 million for the year ended 31 December 2021 due to the combined effect of the aforesaid factors.

Management Discussion and Analysis

USE OF NET PROCEEDS FROM THE LISTING

We have published the “Change In Use of Proceeds” announcement on the websites of the Company and the Stock Exchange on 19 October 2021.

For reasons set out in the paragraph headed “Reasons for and Benefits of the Change in Use of Proceeds” of the announcement, the Board has resolved to change the use of net proceeds from the Global Offering as follows: approximately 31.8% of the net proceeds from the Global Offering in an amount of approximately HK\$34.8 million, which were originally allocated for build-up asphalt plant, will be re-allocated to supplement the operation of the Company. The use of net proceeds from the Global Offering in the revised manner and used during the year is set out as follows:

Use of proceeds	Net proceeds (in HK\$ million)	Percentage of net proceeds (%)	Utilisation as at 31 December 2020 (in HK\$ million)	Remaining balance of the net proceeds as at 31 December 2020 (in HK\$ million)	Revised allocation of the net proceeds (in HK\$ million)	Revised percentage of net proceeds (%)	Remaining balance of the net proceeds after revised allocation (in HK\$ million)	Amount utilised for the year (in HK\$ million)	Amount remaining (in HK\$ million)
- Purchase equipment and machinery to strengthen market position	15.0	13.7	15.0	-	15.0	13.7	-	-	-
- Acquire a property for (i) out ancillary office; (ii) dormitory for our foreign workers; (iii) workshop to prepare asphalt premix for our own usage; and (iv) our machinery warehouse	73.8	67.4	34.0	39.8	39.0	35.6	5.0	-	5.00
- Increase manpower for market expansion and competing for more projects	8.1	7.4	8.1	-	8.1	7.4	-	-	-
- Upgrade of information technology system	2.0	1.8	2.0	-	2.0	1.8	-	-	-
- Working capital	10.6	9.7	10.6	-	33.4	30.5	22.8	22.80	-
- Repayment of financial liabilities	-	-	-	-	12.0	10.6	12.0	12.00	-
	109.5	100.0	69.7	39.8*	109.5	100.0	39.8	34.80	5.00

Note: any discrepancies in this table between totals and sums of amounts listed herein are due to rounding.

*: Which included HK\$16.7 million have refunded from the construction of an asphalt plant.

Management Discussion and Analysis

REASONS FOR AND BENEFITS OF THE CHANGE IN USE OF PROCEEDS

From the end of year 2019, the COVID-19 pandemic continues to spread around the world disrupting large parts of the global economy and forcing some countries to completely shut down all but the essential services. Singapore Government announced circuit breaker measure in March 2020 and the circuit breaker period were extended to 1 June 2020, to date the country is still combating the impact of COVID-19 pandemic. It remains uncertain how long the COVID-19 crisis will last. However, what is certain is that Singapore construction industry is still facing significant manpower shortages, supply chain constraints, and escalating construction costs all attributable to the global pandemic. Thousands of foreign workers in Singapore have been infected with COVID-19, accounting for the majority of the country's 2020 cases. As part of the government's circuit breaker measures, all construction works were ceased in April 2020 to further reduce the spread of the virus until 3rd quarter 2020. This year 2021, the Group is catching up on the construction work progresses, however the efficiency and effectiveness of the work are worse off than Pre-COVID mainly due to the aforesaid factors.

Though the directors are confident in the long-term outlook of the construction industry in Singapore, in view of the reduced support in the funding for the construction works by bank facilities, exhaust of construction material and the materials price increase, limited manpower due to COVID-19, and the price for new tenders remains very competitive.

And the relatively long investment return cycle in the acquisition of a property, and global economic disruption due to COVID-19, the Company intends to centralize the spare funds and optimize the utilization of the financial resources.

Having considered the above, the Directors are of the view that the unutilized net proceeds originally allocated to acquisition of a property can now be better utilized for benefit for the Group in the short to medium term by being re-allocated of 31.8% of the net proceeds to the followings:

- a) To re-allocate of 11% of net proceeds to repay bank borrowings to improve the Group's financial position in order to enhance the tender success rate, and
- b) To re-allocate of 20.8% of net proceeds to working capital to support ongoing construction projects that have been delayed due to COVID-19, and newly awarded construction projects with a total contract value of approximately HK\$188 million in 2021, to support project operations and ensure the smooth progress of the projects, hereby guaranteeing our profit margin. That will also promote the healthy development of the Group's business and be able to flexibly respond to changes in the Singapore construction market in the future.
- c) The Group will continue to research and monitor the market, according to the Group's future development needs, we will resume to carry out the original property acquisition plan at an appropriate time in the future, thereby further expanding our business.

The Board is of the view that the reallocation is in line with the business strategy of the Group and will not adversely affect the operation and business of the Group and is in the best interest of the Company and the Shareholders as a whole.

Management Discussion and Analysis

TIMELINE IN THE USE OF PROCEEDS

It remains uncertain how long the COVID-19 crisis will last. However, what is certain is that Singapore construction industry is still facing manpower shortages, supply chain constraints, and escalating construction costs. Under this uncertain circumstance, we estimate that we can consume the balance of net proceeds brought forward from issue of equity securities in previous financial year, after the construction industry in Singapore recovered from the impact of COVID-19, according to the intentions disclosed in the prospectus.

REASONS FOR THE DELAYED USE OF PROCEEDS

The unutilised proceeds are pertaining to acquire a property and build-up an asphalt plant.

The reasons for the delayed use of proceeds are as follows:

The owner's price for our target property is much higher than the market price. The Board of directors decided not to acquire the property and will look for more suitable property.

From the end of the year 2019, the COVID-19 pandemic to spread around the world disrupting large parts of the global economy. Although the COVID-19 vaccination programmes are well underway across major economies in the world, an end to the pandemic is far from assured with the emergence of new COVID-19 variants which will possibly impede the global economic recovery.

Manpower shortages, supply chain constraints and escalating construction costs have adversely affected the pace of construction activities and dampened output. Those factors will increase the Group's project costs and also increase the Group's financial pressure.

We were newly awarded construction projects with a total contract value of approximately HK\$188 million during year 2021. To ensure the smooth progress of the projects, guarantee our profit margin and be able to flexibly respond to changes in Singapore construction market, the Board intends to retain the balance proceeds raised from IPO and will wait and see the development of the epidemic, and rationally use financial resources to deal with this uncertain.

ENVIRONMENTAL POLICIES AND PERFORMANCE

The Group considers that a stringent quality assurance system and strong commitment to work's quality, safety, occupational health and environmental management are crucial in delivering quality works to the customers on a timely basis. Therefore, the Group has implemented a stringent management system to regulate the work's quality, safety and environmental management standards, which comply with international standards. During the year ended 31 December 2021, the Group has satisfied the requirements of ISO 9001:2008, ISO 14001:2004 and OHSAS 18001:2007 accreditation for the quality management system, environmental management system and occupational safety and health management system respectively. Details of our environmental policies and performance are set out in the section headed "Environmental, Social and Governance Report" in this annual report.

Management Discussion and Analysis

COMPLIANCE WITH THE RELEVANT LAWS AND REGULATIONS

Our Group's operations are mainly carried out by the Company's subsidiaries incorporated in Singapore while the Company itself is incorporated in the Cayman Islands with its shares listed on Stock Exchange. Our Group's establishment and operations accordingly shall comply with relevant laws and regulations in the Cayman Islands, Hong Kong and Singapore. During the year ended 31 December 2021 and up to the date of this annual report, there is no material breach of or non-compliance with the applicable law and regulations by our Group that has a significant impact on the business and operations of our Group.

PROSPECTS

According to the press release by the Building and Construction Authority (BCA), the value of certified progress payments is projected to increase to between S\$29 billion to S\$32 billion for 2022, from the preliminary estimate of about S\$26 billion for 2021, to account for a steady level of construction demand and backlog from the pandemic.

As for the medium term, the BCA expects total construction demand to reach between S\$25 billion and S\$32 billion per year from 2023 to 2026, also led by the public sector.

BCA expects about half the public construction demand to come from civil engineering works. It noted that major developments in the pipeline include MRT projects, the Toa Payoh Integrated Development and new hospital developments.

CONTINGENT LIABILITIES

Our Group did not have any material contingent liabilities as at 31 December 2021.

CAPITAL COMMITMENTS

As at 31 December 2021, the Group did not have any material capital commitments.

LIQUIDITY, FINANCIAL RESOURCES AND CAPITAL STRUCTURE

Our Group's cash and cash equivalents balances remained relatively stable at approximately S\$5.6 million as at 31 December 2021 and 2020. As at 31 December 2021, the total interest-bearing loans of our Group was approximately S\$55.3 million, representing an increase of approximately S\$8.9 million as compared to approximately S\$46.4 million for the year ended 31 December 2020. The current ratio remained at approximately 1.5 times for the year ended 31 December 2020 and 2021, while the gearing ratio was increased from approximately 1.1 time for the year ended 31 December 2020 to approximately 1.2 time for the year ended 31 December 2021. Our Group's equity balance increased to approximately S\$57.0 million as at 31 December 2021 as compared to approximately S\$55.2 million as at 31 December 2020, which was attributable to the profits recorded for the year.

Management Discussion and Analysis

EMPLOYEES AND REMUNERATION POLICIES

Our Group had 412 employees as at 31 December 2021 and 366 employees as at 31 December 2020. Remuneration is determined by reference to prevailing market terms and in accordance with the job scope, responsibilities, and performance of each individual employee. The remuneration of the Directors is decided by the Board upon the recommendation from the remuneration committee of our Company having regard to our Group's operating results, individual performance and comparable market statistics. Our Company has adopted a share option scheme pursuant to which the Directors and eligible employees of our Group are entitled to participate. The local employees are also entitled to discretionary bonus depending on their respective performances and the profitability of our Group. The foreign workers are typically employed on a one-year basis depending on the period of their work permits, and subject to renewal based on their performance, and are remunerated according to their work skills.

CHARGES OF ASSETS

The borrowings as at 31 December 2021 was secured by the legal mortgages of our Group's buildings on leasehold land with carrying amount of approximately S\$3.0 million and the Group's investment properties with carrying amount of approximately S\$2.3 million.

FOREIGN EXCHANGE EXPOSURE

During the year ended 31 December 2021, our Group did not have significant financial assets or financial liabilities denominated in foreign currency which are not the functional currency of respective group entities.

MATERIAL ACQUISITIONS AND DISPOSALS OF SUBSIDIARIES, ASSOCIATES AND JOINT VENTURES

Our Group had no material acquisitions or disposals of subsidiaries, associates and joint ventures during the year ended 31 December 2021.

SIGNIFICANT INVESTMENTS HELD

As at 31 December 2021, our Group did not hold any significant investment.

FINAL DIVIDEND

The Directors do not recommend the payment of a dividend for the year ended 31 December 2021.

Directors and Senior Management

EXECUTIVE DIRECTORS

Mr. Tan Chai Ling (alias Mr. Chen Zhilong), aged 47, is the chairman of the Board, chief executive officer (the “**CEO**”) of the Group and executive director (the “**Director**”) of the Company. He was appointed as the Director on 21 June 2017 and re-designated as the executive Director, chairman of the Board and CEO on 15 July 2017. He is a member of the remuneration committee of the Company and the chairman of the nomination committee of the Company. Mr. Tan is responsible for formulating the overall strategic direction, tendering and pricing strategy. Mr. Tan joined the Group in July 2008. He has been a director of Double-Trans Pte. Ltd. (“**Double-Trans**”) and Samco Civil Engineering Pte. Ltd. (“**Samco**”) and is also a director of Shuangyun Development Pte. Ltd. (“**Shuangyun Development**”). Mr. Tan has over 15 years of experience in the construction industry in Singapore. Before joining the Group, Mr. Tan worked as a project engineer with Sembcorp Engineers & Constructors P/L from 2002 to 2006. From 2006 to 2007, Mr. Tan worked as a project engineer with Samwoh Corporation P/L. From 2007 to 2008, Mr. Tan worked as a project manager with Pan United Asphalt P/L. Mr. Tan obtained a bachelor of engineering (civil) degree from the Nanyang Technological University of Singapore in February 2002. Mr. Tan has been a member of Institution of Engineers Singapore since 2008, and was selected as a senior member of the Institution of Engineers Singapore in July 2016. Mr. Tan is the elder brother of Ms. Alynda Tan Hue Hong who is the executive Director and the spouse of Ms. Chong Sook Fern (alias Ms. Zhang Shufen) who is also the executive Director.

Ms. Alynda Tan Hue Hong, aged 45, is the executive Director. She was appointed as the Director on 21 June 2017 and re-designated as the executive Director on 15 July 2017. Ms. Tan is responsible for overseeing the finance, human resources and administrative functions, including leading and preparing business plans, monitoring and reviewing overall control and reporting process. Ms. Tan joined the Group since June 2007 as the accounts officer of Samco. Ms. Tan has been a director of Double-Trans and Samco since September 2009 and is also a director of Shuangyun Development. Ms. Tan has accumulated more than 20 years of experience in the finance and accounting field. Before joining the Group, Ms. Tan worked as an accounts assistant with NTUC Healthcare Pharmacy from November 1994 to February 1995. From May 1996 to August 1996, Ms. Tan worked with Samtrade Pte Ltd. as an accounts cum admin assistant. From September 1996 to March 1998, Ms. Tan joined Yoshida Seiki F.A. Engineering Pte Ltd. as an accounts assistant. From September 1998 to September 1999, Ms. Tan was employed by TTI Testron (A Division of The DII Group Singapore Pte Ltd.) Everett Charles Technologies as an accounts officer. From October 1999 to September 2001, Ms. Tan was an accounts officer at IRI International Singapore/IRI/Alpha Metals (A Division of Cookson Singapore Pte Ltd.). Ms. Tan worked as an account officer for Samco Engineering Pte Ltd. from July 2003 to June 2007. Ms. Tan obtained her Diploma in Business from Temasek Polytechnic in Singapore in August 1996. Ms. Tan then accomplished the Certificate stage of The Association of Chartered Certified Accountants in June 2000. She is the younger sister of Mr. Tan Chai Ling (alias Mr. Chen Zhilong) who is the chairman of the Board, CEO and the executive Director; and the spouse of Mr. Toh Kok Weng, Benjamin (alias Mr. Du Guorong, Benjamin), the general manager and the senior management of the Group.

Directors and Senior Management

Ms. Chong Sook Fern (alias Ms. Zhang Shufen), aged 45, is the executive Director. She was appointed as the executive Director on 15 July 2017. Ms. Chong is responsible for overseeing projects department, site operations and costing matters of the Group. Ms. Chong joined the Group since February 2015 as the project director. Ms. Chong has more than 15 years of experience in the construction industry in Singapore. Before joining the Group, Ms. Chong was project engineer (junior) at Precise Development Pte Ltd. from December 2000 to January 2002. From February 2002 to January 2004, Ms. Chong was a project engineer at Wan Soon Construction Pte Ltd.. From February 2004 to June 2005, Ms. Chong worked as an engineer cum quantity surveyor with Techprecast Pte Ltd. (the subsidiary of Wan Soon Construction Pte Ltd.). From April 2006 to May 2008, Ms. Chong worked as a sales engineer cum quantity surveyor with AJA Enterprises Pte Ltd. From September 2011 to September 2012, Ms. Chong worked as a design engineer with HDB-BRI. Ms. Chong was a senior project manager for SIPM Consultants Pte Ltd. (the subsidiary of Surbana International Consultants Pte Ltd.) from June 2008 to September 2011, and from September 2012 to February 2015. Ms. Chong obtained her bachelor of engineering (civil) from the Nanyang Technological University of Singapore in July 2000. Ms. Chong is the spouse of Mr. Tan Chai Ling (alias Mr. Chen Zhilong) who is the chairman of the Board, CEO and the executive Director.

INDEPENDENT NON-EXECUTIVE DIRECTORS

Mr. Siu Man Ho Simon, aged 48, was appointed as the independent non-executive Director on 20 October 2017. He is also a member of the audit and remuneration committees of the Company. He is responsible for participating in making significant decisions and giving advice on corporate governance, connected transactions and remuneration and nomination of Directors and senior management of the Group. Mr. Siu is a practicing solicitor of the High Court of Hong Kong and a China Appointed Attesting Officer appointed by the Ministry of Justice of the People's Republic of China. Mr. Siu is currently a partner in a law firm, Sit, Fung, Kwong & Shum, Solicitors, which he first joined as a solicitor in January 2000 and has been continuously serving there since then. His areas of practice include corporate finance, capital markets, securities, mergers and acquisitions, joint ventures and general commercial matters. Mr. Siu also actively participates in charitable and social services in Hong Kong. He is currently acting as the legal adviser for United Hearts Youth Foundation as well as the school manager of The Association of Directors & Former Directors of Pok Oi Hospital Ltd Leung Sing Tak College. Mr. Siu is an independent non-executive director of each of Wai Yuen Tong Medicine Holdings Limited (a company listed on the Main Board, stock code: 897), Litu Holdings Limited (a company listed on the Main Board, stock code: 1008) and HKE Holdings Limited (a company listed on the Main Board, stock code: 1726) since August 2001, March 2009 and March 2018 respectively. Mr. Siu obtained his Bachelor of Laws degree from the University of Hong Kong in November 1996.

Directors and Senior Management

Prof. Pong Kam Keung, aged 60, was appointed as the independent non-executive Director on 20 October 2017. He is also a member of the audit and nomination committees of the Company. He is responsible for participating in making significant decisions and giving advice on corporate governance, connected transactions and remuneration and nomination of Directors and senior management of the Group. Before joining the Group, he was the chief prosecution officer of Environmental Protection Department of the Hong Kong Government from July 2004 to July 2013. He was a member of the Appeal Tribunal Panel of the Housing, Planning and Lands Bureau of the Hong Kong Government from February 2007 to November 2012 and a member of the Advisory Committee on Barrier Free Access of the Buildings Department from August 2001 to July 2003. Prof. Pong served as a director of education and membership of the Hong Kong Institute of Facility Management from October 2008 to October 2009, and a member of Governance & Quality Committee of the Hong Kong Green Building Council Limited from January 2017 to December 2020. He has been an adjunct professor at the Division of Environment & Sustainability of the Hong Kong University of Science and Technology since December 2013. Prof. Pong was an independent non-executive director of Wang Yang Holdings Limited, currently namely Central Holding Group Co. Ltd. (a company listed on the Main Board, stock code: 1735) from March 2018 to October 2019, and he was also an independent non-executive director of FSM Holdings Limited (stock code: 1721) from June 2018 to April 2020, and he was an executive director of Star Properties Group (Cayman Islands) Limited, currently known as Star Group Company Limited (stock code: 1560) from September 2018 to November 2021. Prof. Pong has been an independent non-executive director of HKE Holdings Limited (stock code: 1726) since March 2018. Prof. Pong obtained his bachelor of science degree in building surveying from the Thames Polytechnic, United Kingdom in June 1989, a degree of master of science in property investment from the City University of London, United Kingdom in December 1993, a bachelor degree of laws from the University of Wolverhampton, United Kingdom in September 1995, a master degree of science in urban planning from the University of Hong Kong, Hong Kong in December 2005, a degree of master of corporate governance from the Hong Kong Polytechnic University, Hong Kong in October 2008 and a Doctor of Philosophy from Hong Kong Polytechnic University, Hong Kong in September 2019. Prof. Pong has been a fellow of the Hong Kong Institute of Facility Management, the Hong Kong Institute of Surveyors, the Chartered Institute of Arbitrators, the Royal Institution of Chartered Surveyors, the Hong Kong Institute of Chartered Secretaries and a member of the Royal Town Planning Institute since July 2000, November 2000, January 2001, January 2006, October 2012 and January 2007, respectively. Prof. Pong registered as a chartered building engineer by the Chartered Association of Building Engineers in February 2014.

Directors and Senior Management

Mr. Yau Chung Hang, aged 49, was appointed as the independent non-executive Director on 20 October 2017. He is also the chairman of the audit and remuneration committees of the Company and a member of the nomination committee of the Company. He is responsible for participating in making significant decisions and giving advice on corporate governance, connected transactions and remuneration and nomination of Directors and senior management of the Group. Mr. Yau has over 20 years of experience in accounting and financial management. Before joining the Group, he worked as an accountant with Li Tang Chen CPA from June 1995 to January 1997. From January 1997 to May 2000, he worked at Deloitte Touche Tohmatsu and his last position was senior accountant. From May 2000 to October 2001, he joined Valspar Hai Hong Co., Ltd. as a credit manager. He then worked as the chief financial officer and company secretary with Changchun Da Xing Pharmaceutical Company Ltd. (a company listed on the GEM of the Stock Exchange, stock code: 8067) from January 2002 to January 2004. From January 2004 to April 2005, he was a finance manager of Tristate Holdings Limited (a company listed on the Main Board, stock code: 458). From April 2005 to March 2006, he joined Ningbo Yidong Electronic Company Ltd. (a company listed on the GEM of the Stock Exchange, stock code: 8249) as the company secretary. He then worked at Brilliant Circle Holdings International Limited, currently known as Litu Holdings Limited (a company listed on the Main Board, stock code: 1008) as the chief financial officer and company secretary from January 2006 to February 2014. He worked as the chief financial officer and company secretary of Jiashili Group (a company listed on the Main Board, stock code: 1285) from March 2014 to November 2017. Mr. Yau was working as the executive director, chief financial officer and company secretary of Tokyo Chuo Auction Holdings Limited (a company listed on the Main Board, stock code: 1939) from January 2018 to November 2019. Mr. Yau is now working as a financial controller in a private company. Mr. Yau was the independent non-executive director of Ban Loong Holdings Limited (a company listed on the Main Board, stock code: 30) from 16 May 2013 to 6 October 2014 and was the independent non-executive director of Wang Yang Holdings Limited, currently known as Central Holding Group Co. Ltd. (a company listed on the Main Board, stock code: 1735) from 13 March 2018 to 4 October 2019. Mr. Yau has been the independent non-executive director of AID Life Science Holdings Limited, currently known as 8088 Investment Holdings Limited (a company listed on GEM, stock code: 8088) since 29 July 2019. Mr. Yau obtained his bachelor of arts degree in accountancy from the University of Bolton, the United Kingdom in August 2005. He is a member of The Association of Chartered Certified Accountants and member of the Hong Kong Institute of Certified Public Accountants.

SENIOR MANAGEMENT

Mr. Toh Kok Weng, Benjamin (alias Mr. Du Guorong, Benjamin), aged 41, joined the Group in May 2008 as the project engineer of Double-Trans and Samco. He was promoted to the position of projects manager and general manager of the Group in June 2010 and May 2016, respectively. Mr. Toh is primarily responsible for overseeing contract department, including analysing project requirements and preparation of tender documents of the Group. Mr. Toh has more than 10 years of experience in the construction industry. From the second quarter of 2006 to the first quarter of 2008, Mr. Toh worked as a project engineer with Pan-United Asphalt Pte Ltd. Mr. Toh obtained his bachelor of engineering (civil engineering) degree from the University of Queensland in Australia in December 2005 and his Specialist Diploma in Construction Productivity from the Building and Construction Authority in November 2016. He is the spouse of Ms. Alynda Tan Hue Hong who is the executive Director.

Corporate Governance Report

The Company is committed to achieving high standards of corporate governance to safeguard the interests of its shareholders and enhance its corporate value. The Company adopted all the code provisions in the Corporate Governance Code (the “**CG Code**”) in Appendix 14 of Rules Governing the Listing of Securities (the “**Listing Rules**”) on The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”) as its own code on corporate governance practices.

During the year, the Company had complied with the code provisions set out in the CG Code with the exception of the code provision A.2.1. Details of such deviation is explained below.

BOARD OF DIRECTORS

The Company is governed by the Board which is responsible for formulating the overall strategic direction, tendering and pricing strategy; overseeing the finance, human resources and administrative functions, including leading and preparing business plans, monitoring and reviewing overall control and reporting process; overseeing projects department, site operations and costing matters of the Group; and participating in making significant decisions and giving advice on corporate governance, connected transactions and remuneration and nomination of Directors and senior management of the Group. The Board sets the overall strategy and directions for the Group with a view to developing its business and enhancing the shareholder value.

The Board meets regularly throughout the year to formulate overall strategy, monitor business development as well as the financial performance of the Group. The Board has delegated certain duties and authorities to the management of the Company for overseeing contract department, including analysing project requirements and preparation of tender documents of the Group, and finance function, including financial and management reporting, accounting, taxation, internal control and compliance matters.

The Board is responsible for determining the appropriate corporate governance practices applicable to the Company’s circumstances and ensuring systems, processes and procedures in place to achieve the Company’s corporate governance objectives; reviewing and monitoring the training and continuous professional development of Directors and senior management and the Company’s policies, practices and guidelines on compliance with legal and regulatory requirements; and etc. The Board may discharge its corporate governance duties by establishment of board committees and delegation of certain management and administration functions to the management. During the year, the Board reviewed the compliance with the CG Code, the disclosure in the corporate governance report and the effectiveness of the risk management and internal controls systems of the Group.

The Board currently comprises three executive Directors, namely Mr. Tan Chai Ling (alias Mr. Chen Zhilong) (chairman and CEO), Ms. Alynda Tan Hue Hong and Ms. Chong Sook Fern (alias Ms. Zhang Shufen) and three independent non-executive Directors (the “**INED**”), namely Mr. Siu Man Ho Simon, Prof. Pong Kam Keung and Mr. Yau Chung Hang.

Mr. Tan Chai Ling (alias Mr. Chen Zhilong) is the elder brother of Ms. Alynda Tan Hue Hong and the spouse of Ms. Chong Sook Fern (alias Ms. Zhang Shufen). Ms. Alynda Tan Hue Hong is the spouse of Mr. Toh Kok Weng, Benjamin (alias Mr. Du Guorong, Benjamin), the general manager and the senior management of the Group.

Corporate Governance Report

The attendance records of the Directors for the regular Board, Board committees and general meetings of the Company for the year are as follows:

Directors	No. of meetings attended/No. of meetings held				Annual General Meeting
	Board	Audit Committee	Remuneration Committee	Nomination Committee	
Executive Director					
Mr. Tan Chai Ling (<i>alias Mr. Chen Zhilong</i>) (<i>chairman and CEO</i>)	4/4	N/A	1/1	1/1	1/1
Ms. Alynda Tan Hue Hong	4/4	N/A	N/A	N/A	1/1
Ms. Chong Sook Fern (<i>alias Ms. Zhang Shufen</i>)	4/4	N/A	N/A	N/A	1/1
Independent Non-Executive Director					
Mr. Siu Man Ho Simon	4/4	4/4	1/1	N/A	1/1
Prof. Pong Kam Keung	4/4	4/4	N/A	1/1	1/1
Mr. Yau Chung Hang	4/4	4/4	1/1	1/1	1/1

In compliance with the Listing Rules, the Company appointed INEDs with at least one of them having appropriate professional qualifications or accounting or related financial management expertise. The INEDs, together with the executive Directors, ensure that the Board prepares its financial and other mandatory reports in strict compliance with the relevant standards. The Company received annual confirmation of independence under Rule 3.13 of the Listing Rules from each of the INEDs and believes that their independence is in compliance with the Listing Rules.

Under the code provision A.4.1 of the CG Code, non-executive directors should be appointed for a specific term, subject to re-election. The term of appointment pursuant to the renewed letters of appointment of Mr. Siu Man Ho Simon, Prof. Pong Kam Keung and Mr. Yau Chung Hang is for a period of three years till November 2023 subject to the requirement that one-third of all the Directors shall retire from office by rotation at each annual general meeting of the Company pursuant to the amended and restated articles of association of the Company ("**Articles of Association**").

Under the code provision A.2.1 of the CG Code, the roles of chairman and chief executive should be separate and should not be performed by the same individual. Mr. Tan Chai Ling (alias Mr. Chen Zhilong) is currently the chairman of the Board and the CEO of the Group who is primarily responsible for the day-to-day management of the Group's business. The Board considers that vesting the roles of the chairman of the Board and the CEO in the same person facilitates the execution of the business strategies and decision making, and maximizes the effectiveness of the Group's operation. The Board also believes that the presence of three INEDs provides added independence to the Board. The Board will review the structure from time to time and consider an adjustment should it become appropriate.

CONTINUOUS PROFESSIONAL DEVELOPMENT OF DIRECTORS

During the year, according to the records provided by the Directors, the participation by each Director in the continuous professional development (“CPD”) was recorded as follows:

The executive Director, Mr. Tan Chai Ling (alias Mr. Chen Zhilong), participated in CPD activities by way of attending training and reading materials covering topics including corporate governance, managing inside information, board secretary and role of director.

The executive Director, Ms. Alynda Tan Hue Hong, participated in CPD activities by way of attending training and reading materials covering topics including audit committee and internal audit function, internal control and environmental, social and governance.

The executive Director, Ms. Chong Sook Fern (alias Ms. Zhang Shufen), participated in CPD activities by way of attending training and reading materials covering topics including conflict of interest, complex transactions, board committees and board diversify and identify and assessment of risk.

The INED, Mr. Siu Man Ho Simon, participated in CPD activities by way of reading materials covering topics including listed issuer regulation and corporate governance.

The INED, Mr. Yau Chung Hang, participated in CPD activities by way of reading materials covering topics including accounting.

The INED, Prof. Pong Kam Keung, participated in CPD activities by way of attending training covering topics including tax audit.

SECURITIES TRANSACTIONS BY DIRECTORS

The Company adopted the Model Code for Securities Transactions by Directors of Listed Issuers (the “**Model Code**”) as set out in Appendix 10 of the Listing Rules as its codes of conduct regarding securities transactions by Directors and by relevant employees of the Company. All Directors have confirmed, following specific enquiries by the Company, that they fully complied with the Model Code and its code of conduct regarding the Directors’ securities transactions during the year.

REMUNERATION COMMITTEE

The Company established a remuneration committee with written terms of reference in compliance with the CG Code of the Listing Rules. The remuneration committee of the Company comprises one executive Director, namely Mr. Tan Chai Ling (alias Mr. Chen Zhilong), and two INEDs, namely Mr. Siu Man Ho Simon and Mr. Yau Chung Hang. The committee is chaired by Mr. Yau Chung Hang.

The primary duties of the remuneration committee of the Company are to make recommendations to the Board on the Company’s policy and structure for all Directors’ and senior management remuneration and on the establishment of a formal and transparent procedure for developing remuneration policy; review and approve the management’s remuneration proposals and make recommendations to the Board on the remuneration of non-executive Directors. The Directors are remunerated with reference to their respective duties and responsibilities with the Company, the Company’s performance and current market situation. The remuneration committee of the Company adopted the model under the CG Code to determine, with delegated responsibility, the remuneration packages of individual executive Directors and senior management.

Corporate Governance Report

During the year, the remuneration committee of the Company reviewed the Group's remuneration policy and structure; and reviewed and approved the remuneration packages of the executive Directors and senior management of the Company.

Details of Directors' emoluments for the year are disclosed in Note 15 to the consolidated financial statements and the retirement benefit schemes are disclosed in Note 33 to the consolidated financial statements.

NOMINATION COMMITTEE

The Company established a nomination committee with written terms of reference in compliance with the CG Code of the Listing Rules. The nomination committee of the Company comprises one executive Director, namely Mr. Tan Chai Ling (alias Mr. Chen Zhilong), and two INEDs, namely Prof. Pong Kam Keung and Mr. Yau Chung Hang. The committee is chaired by Mr. Tan Chai Ling (alias Mr. Chen Zhilong).

The primary duties of the nomination committee of the Company are to review the structure, size and composition of the Board, identify individuals suitably qualified to become members of the Board, assess the independence of INEDs and make recommendations to the Board on the appointment or re-appointment of Directors.

The nomination committee of the Company shall assist the Board in making recommendations to the Board on the appointment of Directors and succession planning for Directors. When making recommendations regarding the appointment of any proposed candidate to the Board or re-appointment of any existing member(s) of the Board, a number of factors shall be considered by the nomination committee of the Company, including reputation for integrity; accomplishment, experience and professional expertise which are relevant to the operations of the Company and its subsidiaries; commitment in respect of sufficient time, interest and attention to the Company's business; diversity in all aspects, including but not limited to gender, age, cultural/educational and professional background, skills, knowledge and experience; significant contributions to the Company's success; and compliance with the criteria of independence as prescribed under Rule 3.13 of the Listing Rules for the appointment of an INED. After compilation and interview of the list of potential candidates, the nomination committee of the Company will shortlist candidates for consideration based on the selection criteria and such other factors that it considers appropriate.

Each of the executive Directors entered into service agreement for their appointment with the Company for an initial term of three years commencing from November 2017 and shall continue thereafter unless and until it is terminated by the Company or the executive Directors giving to the other not less than three months' prior notice in writing. Each of the INEDs entered into renewed letter of appointment for his appointment with the Company for a term of three years till November 2023. All Directors are subject to retirement by rotation and re-election at the annual general meeting of the Company in accordance with the Articles of Association.

Corporate Governance Report

According to Articles 84(1)-(2) of the Articles of Association, at each annual general meeting of the Company one-third of the Directors for the time being (or, if their number is not a multiple of three, the number nearest to but not less than one-third) shall retire from office by rotation provided that every Director shall be subject to retirement at an annual general meeting of the Company at least once every three years. The Directors to retire by rotation shall include (so far as necessary to ascertain the number of Directors to retire by rotation) any Director who wishes to retire and not to offer himself for re-election. Any further Directors so to retire shall be those of the other Directors subject to retirement by rotation who have been longest in office since their last re-election or appointment and so that as between persons who became or were last re-elected Directors on the same day those to retire shall (unless they otherwise agree among themselves) be determined by lot. Any Director appointed by the Board pursuant to Article 83(3) shall not be taken into account in determining which particular Directors or the number of Directors who are to retire by rotation.

According to Article 83(3) of the Articles of Association, any Director appointed by the Board to fill a casual vacancy shall hold office until the first general meeting of the shareholders of the Company after his appointment and be subject to re-election at such meeting and any Director appointed by the Board as an addition to the existing Board shall hold office only until the next following annual general meeting of the Company and shall then be eligible for re-election.

During the year, the nomination committee of the Company reviewed the structure, size and composition of the Board; recommended the Directors for re-election at annual general meeting of the Company; and assessed the independence of the INEDs.

AUDIT COMMITTEE

The Company established an audit committee with written terms of reference in compliance with the CG Code of the Listing Rules. The audit committee comprises three INEDs, namely Prof. Pong Kam Keung, Mr. Siu Man Ho Simon and Mr. Yau Chung Hang. The committee is chaired by Mr. Yau Chung Hang.

The primary duties of the audit committee of the Company are to review the risk management and internal control systems and the financial information, including accounting policies and practices and financial reporting, of the Company; the financial statements and reports of the Group; and the terms of engagement and the scope of audit work of the auditor.

During the year, the audit committee of the Company reviewed the accounting principles and practices adopted by the Group with the management and the Company's auditor; and discussed auditing (including audit planning), internal control and financial reporting matters including the audited financial statements and unaudited interim financial statements.

DIRECTORS' RESPONSIBILITY FOR THE FINANCIAL STATEMENTS

The Directors acknowledge their responsibility for overseeing the preparation of the financial statements which give a true and fair view of the financial position of the Group. The Directors are not aware of any material uncertainties relating to events or conditions which may cast significant doubt upon the Group's ability to continue as a going concern.

Corporate Governance Report

AUDITOR AND THEIR REMUNERATION

The statement of the auditor of the Company about their reporting responsibilities on the Group's financial statements for the year ended 31 December 2021 is set out in the section "Independent Auditor's Report" of this report. During the year, remuneration paid and payable to the auditor of the Group are approximately S\$152,000 for annual audit fee and approximately S\$14,000 for non-audit services.

BOARD DIVERSITY POLICY

The Company adopted a board diversity policy (the "**Policy**") which sets out the approach to achieve and maintain diversity on the Board in order to ensure that its Board has the appropriate balance of skills, experience and diversity of perspectives that are required to support the execution of its business strategy and to maximize the Board's effectiveness.

Pursuant to the Policy, the Company seeks to achieve Board diversity through the consideration of a number of factors, including but not limited to skills, regional and industrial experience, background, race and gender. Board appointments will be made on a merit basis. The Board will review the Policy on a regular basis to ensure its continued effectiveness. The Company will also take into account factors based on its own business model and specific needs from time to time in determining the optimum composition of the Board.

RISK MANAGEMENT AND INTERNAL CONTROL

The Company is aiming to develop a sound and good internal control system and build risk awareness and control responsibility into the Group. The Board acknowledges its responsibility for maintaining a sound and effective risk management and internal control systems and reviewing their effectiveness in order to safeguard the interests of the shareholders and the assets of the Company against unauthorized use or disposition, ensuring maintenance of proper books and records for the provision of reliable financial information, and ensuring compliance with the relevant rules and regulations.

The Group has written down the internal control processes in the Company's Standard Operating Procedures ("**SOP**") and Policies. Written policies and procedures with defined limits of delegated authority facilitates effective segregation of duties and controls. The annual budget of the Group with financial targets provides a foundation for the allocation of Group's resources. Variance analyses are regularly performed and reported to the managements and the Board in order to identify deficiencies and enable timely remedial actions. The annual budgeting and planning process have been refined to take into consideration of risk factors. All operating units prepared with their operating plans are required to identify material risks which may have impact on the achievement of business objectives. Action items to mitigate the identified risks are developed for implementation. The Group's risk management and internal control systems are designed to manage rather than eliminate the risk of failure to achieve business objectives and can only provide reasonable and not absolute assurance against material misstatement or loss.

The procedures and internal controls of the Company for handling and dissemination of inside information includes conducting the affairs of the Company with close regard to the Guidelines on Disclosure of Inside Information published by Securities and Futures Commission and the Listing Rules and reminding the Directors and employees of the Group regularly about due compliance with all policies regarding the inside information.

Corporate Governance Report

Risk management and internal control systems are reviewed on an annual basis. During the year, the Board reviewed the effectiveness of the Group's risk management and internal control systems such as review of the report of internal control and risk management system of the Company, SOP & Policies, physical control activities in the day-to-day operation and segregation of duties applied in the day-to-day operation of the Group and top management review on the review of the day-to-day operation of the Group. Staffs were trained to ensure that all staff of the Group had known the importance of internal control and risk management and the Company's control activities. The Company considered the Group's risk management and internal control systems are effective and adequate.

The Company does not have an internal audit function. The Company is currently of the view that there is no immediate need to set up an internal audit function in light of the Group's simple corporate and operation structure. Review on the need for an internal audit function will be performed from time to time.

COMPANY SECRETARY

The Company engages Ms. Leung Hoi Yan, who has been working with Acclime Corporate Services Limited which amalgamated with BPO Global Services Limited, as its company secretary. Its primary corporate contact person at the Company is Mr. Zhang Yufeng, the Chief Financial Officer of the Company.

SHAREHOLDERS' RIGHTS

Pursuant to the Articles of Association, any one or more shareholders of the Company (the "**Shareholder(s)**") holding at the date of deposit of the requisition not less than one-tenth of the paid up capital of the Company carrying the right of voting at general meetings of the Company shall at all times have the right, by written requisition to the Board or the company secretary of the Company, to require an extraordinary general meeting of the Company to be called by the Board for the transaction of any business specified in such requisition; and such meeting shall be held within two months after the deposit of such requisition. If within twenty-one days of such deposit the Board fails to proceed to convene such meeting the requisitionists themselves may do so in the same manner.

The Shareholders who wish to move a resolution may request the Company to convene a general meeting following the procedures set out in the preceding paragraph. The written requisition should be signed by the requisitionists and deposited at the Company's principal place of business in Hong Kong, specifying the Shareholders' contact details and the resolution intended to be put forward at general meeting.

For including a resolution to propose a person for election as a Director at general meeting of the Company, the Shareholders are requested to follow the Articles of Association. A written notice signed by a Shareholder (other than the person to be proposed) duly qualified to attend and vote at the general meeting of the Company for which such notice is given of his intention to propose such person for election and also a written notice signed by the person to be proposed of his willingness to be elected shall have been lodged at the Company's principal place of business in Hong Kong provided that the minimum length of the period, during which such notices are given, shall be at least seven days and that the period for lodgment of such notices shall commence on the day after the despatch of the notice of the general meeting of the Company appointed for such election and end no later than seven days prior to the date of such general meeting of the Company. The written notice must state that person's biographical details as required by Rule 13.51(2) of the Listing Rules. The procedures for the Shareholders to propose a person for election as a Director are posted on the Company's website.

Corporate Governance Report

The Shareholders should direct their questions about their shareholdings to the Company's branch share registrar and transfer office in Hong Kong. The Shareholders may at any time make a request for the Company's information to the extent that such information is publicly available. The Shareholders may also make enquiries to the Board by writing to the company secretary of the Company at the Company's principal place of business in Hong Kong at Unit B, 17/F, United Centre, 95 Queensway, Hong Kong.

INVESTOR RELATIONS

The objective of the Shareholders' communication is to provide the Shareholders with information about the Company and enable them to engage actively with the Company and exercise their rights as the Shareholders in an informed manner.

The Company uses a range of communication tools to ensure the Shareholders are kept well informed of key business imperatives. These include annual general meetings, annual reports, various notices, announcements and circulars. The corporate website of the Company (www.shuangyunholdings.com) provides an effective communication platform to the public and the Shareholders.

During the year, there had been no significant change in the Company's constitutional documents.

Report of the Directors

The directors present their annual report and the audited consolidated financial statements for the year ended 31 December 2021.

CORPORATE REORGANISATION

The Company was incorporated with limited liability in Cayman Islands on 21 June 2017.

Pursuant to a reorganisation scheme to rationalise the structure of the Group in preparation for the public listing of the Company's shares on the Stock Exchange, the Company became the holding company of the companies now comprising the Group on 20 October 2017.

The Shares of the Company were listed on the Stock Exchange with effect from 15 November 2017.

PRINCIPAL ACTIVITIES

The Company is an investment holding company and the principal activities of its operating subsidiaries are provision of road construction services, construction ancillary services and lease of construction machineries. There were no significant changes to the Group's principal activities during the current year.

RESULTS/BUSINESS REVIEW

A review of the business of the Group as well as discussion and analysis of the Group's performance during the year and the material factors underlying its financial performance and financial position can be found in Management Discussion and Analysis set out on pages 4 to 10 of this annual report. This discussion forms part of this report of the Directors.

SHARE CAPITAL

Details of movements in the share capital of the Company during the year are set out in Note 30 to the consolidated financial statements.

RESERVES AND DISTRIBUTABLE RESERVES

Details of movements in the reserves of the Group and the Company during the financial year are set out in the consolidated statement of changes in equity on page 57 and Note 31 to the consolidated financial statements.

FINAL DIVIDEND

The Board has resolved not to recommend the declaration of any final dividend for the financial year.

Report of the Directors

FIVE YEARS FINANCIAL SUMMARY

A summary of the results and of the assets and liabilities of the Group for the past five years is set out on pages 117 to 118 of this annual report.

PRINCIPAL RISKS AND UNCERTAINTIES

The Group's financial position, results of operations and business prospects may be affected by a number of risks and uncertainties directly and indirectly. The key risks and uncertainties identified are (i) reliance on suppliers and subcontractors to complete certain part of road works projects. No long-term contracts were entered with suppliers and subcontractors. As such, there is no assurance that they will be able to continue to provide supplies and services at acceptable prices, or that relationship with them can be maintained in the future; and (ii) majority of workforce is made up of foreign workers and inability to obtain foreign workers. Supply of foreign labour in Singapore is subject to the policies and regulations imposed by Singapore government. The Group's operations and financial performance may be adversely affected by the possible shortages in the supply of foreign workers and any increase in cost of foreign labour.

PRE-EMPTIVE RIGHTS

There are no provisions for pre-emptive rights under the Company's articles of association or the laws of the Cayman Islands, the jurisdiction in which the Company was incorporated, which would oblige the Company to offer new shares on a pro rata basis to existing shareholders.

EQUITY-LINKED AGREEMENTS

Save for the Share Option Scheme (as defined below) the Company did not enter into any equity-linked agreement during the year or subsisted at the end of the year ended 31 December 2021.

PURCHASE, SALE OR REDEMPTION OF THE LISTED SECURITIES OF THE COMPANY

During the year, neither the Company nor any of its subsidiaries purchased, sold or redeemed any of the Company's listed securities.

PROPERTY, PLANT AND EQUIPMENT

Details of movements in property, plant and equipment of the Group during the financial year are set out in Note 18 to the consolidated financial statements.

CORPORATE GOVERNANCE

Information on the corporate governance practices adopted by the Company are set out in the "Corporate Governance Report" on pages 15 to 22 of this report.

DIVIDEND POLICY

The Company adopted a dividend policy, pursuant to which the Board, in considering the payment of dividends, to allow the Shareholders to participate in the Company's profits and to retain adequate reserves for future growth.

In determining the frequency, amount and form of dividend in any financial year, the Board shall consider the factors including the economic conditions and other internal or external factors that may have an impact on the business or financial performance and position of the Group; the actual and expected financial performance of the Group; retained earnings and distributable reserve of each of the members of the Group; the Group's future cash commitments and investment needs to sustain the long-term growth aspect of the business; the Group's current and future operations, liquidity position and capital requirements. The dividend yield ratio will be assessed from year to year, there is no assurance that dividends will be paid in any particular amount for any given period. Dividends may be paid in cash or in the form of allotment of shares of the Company wholly or partially. The Board may also consider the issuance of bonus shares on a basis permitted by the applicable laws and regulations.

ANNUAL GENERAL MEETING ("AGM")

The AGM will be held on 27 May 2022.

DIRECTORS

The directors of the Company during the financial year and up to the date of this report were:

Executive Directors:

Mr. Tan Chai Ling (alias Mr. Chen Zhilong)
Ms. Alynda Tan Hue Hong
Ms. Chong Sook Fern (alias Ms. Zhang Shufen)

Independent Non-Executive Directors:

Prof. Pong Kam Keung
Mr. Siu Man Ho Simon
Mr. Yau Chung Hang

In accordance with Article 84 of the Articles of Association, Ms. Alynda Tan Hue Hong and Ms. Chong Sook Fern (alias Ms. Zhang Shufen) will retire by rotation and, being eligible, will offer themselves for election at the forthcoming AGM.

The Company received annual confirmation of independence from each of the INEDs as required under Rule 3.13 of the Listing Rules. The Company considered all INEDs to be independent.

Biographical information of the Directors and the senior management of the Group are set out on pages 11 to 14 of this report.

Report of the Directors

DIRECTORS' SERVICE CONTRACTS

No Director proposed for re-election at the forthcoming annual general meeting has a service contract which is not determinable by the Company within one year without payment of compensation other than statutory compensation.

PERMITTED INDEMNITY PROVISION

The Company has arranged appropriate liabilities insurance to indemnify the Directors from any liabilities and costs arising from the business of the Group. Pursuant to the Company's Articles of Association, every director of the Company shall be entitled to be indemnified out of the assets of the Company against all losses or liabilities which he may sustain or incur in or about the execution of the duties of his office or otherwise in relation thereto.

The Company maintains directors' and officers' liability insurance, which gives appropriate cover for any legal action brought against its directors. The level of the coverage is reviewed annually.

DIRECTORS' AND CHIEF EXECUTIVES' INTERESTS AND SHORT POSITIONS IN THE SHARES, UNDERLYING SHARES AND DEBENTURES OF THE COMPANY AND ITS ASSOCIATED CORPORATIONS

As at 31 December 2021, the interests and short positions of the Directors and chief executives of the Company in the shares, underlying shares and debentures of the Company or its associated corporations (within the meaning of Part XV of the Securities and Futures Ordinance of Hong Kong (the "SFO")) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests and short positions which they are taken or deemed to have under such provisions of the SFO) or which were required, pursuant to Section 352 of the SFO, to be entered in the register referred to therein or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 of the Listing Rules were as follows:

(a) Long positions in the shares of HK\$0.10 each of the Company (the "Shares")

Name of Director	Nature of interest	Number of Shares held	Percentage of issued share capital
Mr. Tan Chai Ling (alias Mr. Chen Zhilong) ("Mr. Tan") (Note 1)	Interest in controlled corporation	750,000,000	75%
Ms. Chong Sook Fern (alias Ms. Zhang Shufen) ("Ms. Chong") (Note 2)	Interest of spouse	750,000,000	75%

Notes:

- 750,000,000 Shares are held by Jian Sheng Holdings Limited ("Jian Sheng") which is owned as to 80% by Mr. Tan and as to 20% by Ms. Alynda Tan Hue Hong ("Ms. Tan"). Therefore, Mr. Tan is deemed to be interested in all the Shares held by Jian Sheng under the SFO.
- Ms. Chong is the spouse of Mr. Tan and accordingly, is deemed to be interested in the Shares in which Mr. Tan has interest under the SFO.

Report of the Directors

(b) Long positions in the shares of associated corporations

Name of Director	Name of associated corporation	Nature of interest	Number of shares held	Percentage of interest in associated corporation
Mr. Tan (<i>Note 1</i>)	Jian Sheng	Beneficial owner	88	80%
Ms. Tan (<i>Note 1</i>)	Jian Sheng	Beneficial owner	22	20%

Note:

1. The Company is owned as to 75% by Jian Sheng. Jian Sheng is owned as to 80% by Mr. Tan and as to 20% by Ms. Tan.

Save as disclosed above, as at 31 December 2021, none of the Directors or chief executives of the Company had any interests or short positions in any shares, underlying shares or debentures of the Company or any of its associated corporations (within the meaning of Part XV of the SFO) which were notified to the Company and the Stock Exchange pursuant to Divisions 7 and 8 of Part XV of the SFO (including interests or short positions which they are taken or deemed to have under such provisions of the SFO), or which were required, pursuant to Section 352 of the SFO, to be entered in register referred to therein, or which were required to be notified to the Company and the Stock Exchange pursuant to the Model Code as set out in Appendix 10 of the Listing Rules.

SUBSTANTIAL SHAREHOLDERS' INTERESTS AND SHORT POSITIONS IN THE SHARES AND UNDERLYING SHARES OF THE COMPANY

As at 31 December 2021, the following persons had interests or short positions in the shares and underlying shares of the Company which were notified to the Company and the Stock Exchange pursuant to Divisions 2 and 3 of Part XV of the SFO and entered in the register maintained by the Company pursuant to Section 336 of the SFO were as follows:

Long positions in the Shares

Name of shareholder	Nature of interest	Number of Shares held	Percentage of issued share capital
Jian Sheng (<i>Note 1</i>)	Beneficial owner	750,000,000	75%
Mr. Tan (<i>Note 1</i>)	Interest in controlled corporation	750,000,000	75%
Ms. Chong (<i>Note 1</i>)	Interest of spouse	750,000,000	75%

Note:

1. Jian Sheng is owned as to 80% by Mr. Tan and as to 20% by Ms. Tan. Mr. Tan is deemed to be interested in all the Shares held by Jian Sheng under the SFO. Ms. Chong is the spouse of Mr. Tan.

Save as disclosed above, as at 31 December 2021, the Company had not been notified by any persons who had interests or short positions in the shares or underlying shares of the Company which would fall to be disclosed to the Company under the provisions of Divisions 2 and 3 of Part XV of the SFO, or which were recorded in the register maintained by the Company pursuant to Section 336 of the SFO.

Report of the Directors

SHARE OPTION SCHEME

The principal terms of the Share Option Scheme conditionally adopted under the written resolutions of the sole Shareholder passed on 20 October 2017 are set out below:

(1) Purpose

The Share Option Scheme is a share incentive scheme and is established to recognise and motivate the contributions that Eligible Participants (as defined below) have made or may make to our Group.

The Share Option Scheme will provide the Eligible Participants with an opportunity to acquire proprietary interests in our Company with the view to achieving the following principal objectives:

- (a) motivate the Eligible Participants to optimise their performance and efficiency for the benefit of our Group; and
- (b) attract and retain or otherwise maintain ongoing business relationships with the Eligible participants whose contributions are, will or expected to be beneficial to our Group.

(2) Eligible Participant(s)

The Directors may, in accordance with the provisions of the Share Option Scheme and the Listing Rules, grant options to:

- (i) any Eligible Employees. "Eligible Employees" means employees (whether full time or part time, including any executive director but excluding any non-executive director) of our Company, any subsidiary or any entity in which our Group holds at least 20% of its issued share capital ("**Invested Entity**");
- (ii) any directors (including non-executive and independent non-executive directors) of our Company, any subsidiary or any Invested Entity;
- (iii) any supplier of goods or services to any member of our Group or any Invested Entity;
- (iv) any customer of any member of our Group or any Invested Entity;
- (v) any person or entity that provides research, development or other technological support to any member of our Group or any Invested Entity;
- (vi) any shareholder of any member of our Group or any Invested Entity or any holder of any securities issued by any member of our Group or any Invested Entity;
- (vii) any advisor (professional or otherwise) or consultant to any area of business or business development of any member of our Group or any Invested Entity; and

- (viii) any other group or classes of participants who have contributed or may contribute by way of joint venture, business alliance or other business arrangement to the development and growth of our Group,

and, for the purposes of the Share Option Scheme, options may be granted to any company wholly owned by one or more Eligible Participants.

The basis of eligibility of any Eligible Participant to be granted any option shall be determined by the Directors (or as the case may be, the independent non-executive Directors) from time to time on the basis of his contribution or potential contribution to the development and growth of our Group.

(3) Total Number of Shares Available for Issue

A maximum of 100,000,000 Shares, being 10% of the total number of Shares in issue as at the date of this annual report, may be issued upon exercise of all options to be granted under the Share Option Scheme.

(4) Maximum Entitlement of Each Eligible Person

No option shall be granted to any Eligible Participant which, if exercised in full would result in the total number of the Shares issued and to be issued upon exercise of the options already granted or to be granted to such Eligible Participant under the Share Option Scheme (including exercised, cancelled and outstanding share options) in any 12-month period up to and including the date of such grant exceeding 1% in aggregate of the Shares in issue as at the date of such grant. Any grant of further options above this limit shall be subject to the following requirements:

- (i) approval of the Shareholders of our Company at general meeting, with such Eligible Participant and its close associates (or its associates if such Eligible Participant is a connected person) abstaining from voting;
- (ii) a circular in relation to the proposal for such further grant must be sent by our Company to its Shareholders with such information from time to time as required by the Listing Rules;
- (iii) the number and terms of the options to be granted to such proposed grantee shall be fixed before the Shareholders' approval mentioned in (i) above; and
- (iv) for the purpose of calculating the minimum exercise price for the Shares in respect of the further options proposed to be so granted, the date of board meeting for proposing such grant of further options shall be taken as the date of offer of such options.

(5) Option Period

An option may be exercised in accordance with the terms of the Share Option Scheme at any time during a period as the Directors may in their absolute discretion determine which shall not exceed 10 years from the offer date subject to the provisions of early termination thereof, and provided that the Directors may in their discretion determine the minimum period for which an Option has to be held or other restrictions before its exercise.

Report of the Directors

(6) Minimum Vesting Period

No minimum period for which an option must be held before the exercise of any option save as otherwise imposed by the Board in the relevant offer of options.

(7) Payment on Acceptance of the Option

Participants of the Share Option Scheme are required to submit to the Company a duly signed document containing an offer for the grant of an option to subscribe for the Shares within 21 days from the offer date together with a payment in favour of the Company of HK\$1 per option as the consideration of the grant.

(8) Basis of Determining the Exercise Price

The subscription price of a Share in respect of any particular option granted under the Share Option Scheme shall be such price as determined by the Board, and shall be at least the highest of:

- (i) the closing price of the Shares as stated in the Stock Exchange's daily quotations sheet on the date (the "Offer Date"), which must be a trading day, on which the Board passes a resolution approving the making of an offer of grant of an option to an Eligible Person;
- (ii) the average of the closing prices of the Shares as stated in the Stock Exchange's daily quotation sheets for the five trading days immediately preceding the Offer Date; and
- (iii) the nominal value of a Share on the Offer Date.

(9) Remaining Life

Subject to any prior termination by the Company in a general meeting or by the Board, the Share Option Scheme shall be valid and effective for a period of ten years commencing on the date of adoption of the Share Option Scheme, after which period no further options shall be granted. All options granted and accepted and remaining unexercised immediately prior to the expiry of the Share Option Scheme shall continue to be valid and exercisable in accordance with the terms of the Share Option Scheme.

Since the adoption of the Share Option Scheme, no option has been granted under the Share Option Scheme. Therefore, no option was exercised or cancelled or has lapsed during the year ended 31 December 2021 and there was no outstanding option as at 31 December 2021.

DIRECTORS' RIGHTS TO ACQUIRE SHARES OR DEBENTURES

At no time during the financial year and up to the date of this report was the Company or any of its subsidiaries a party to any arrangement to enable the Directors of the Company to acquire benefits by means of the acquisition of shares in or debentures of the Company or any body corporate.

COMPETING INTERESTS

The Directors confirm that neither the controlling shareholders of the Company nor their respective close associates is interested in a business apart from the Group's business which competes or is likely to compete, directly or indirectly, with the Group's business during the Reporting Period, and is required to be disclosed pursuant to Rule 8.10 of the Listing Rules.

DIRECTORS' INTERESTS IN TRANSACTIONS, ARRANGEMENTS AND CONTRACTS OF SIGNIFICANCE

No transactions, arrangements and contract of significance, to which the Company's holding company, fellow subsidiaries or subsidiaries was a party and in which a director of the Company had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

MANAGEMENT CONTRACT

No contract concerning the management and administration of the whole or any substantial part of the business of the Company was entered into or existed during the year.

CONNECTED AND RELATED PARTY TRANSACTIONS

The Group had not entered into any connected transaction during the year ended 31 December 2021, which is required to be disclosed under Chapter 14A of the Listing Rules. Related party transactions entered into by the Group during the year, are disclosed in Note 37 to the consolidated financial statements.

EMOLUMENT POLICY

The emolument policy for the employees of the Group is set up by the human resource department on the basis of their merit, qualifications and competence.

The emoluments of the directors of the Company are decided by the Remuneration Committee, having regard to the Group's operating results, individual performance and comparable market statistics.

The Company has adopted a share option scheme as an incentive to directors and eligible employees. The share option scheme became effective on 20 October 2017.

Report of the Directors

SUBSIDIARIES

Details of subsidiaries of the Company are set out in Note 39 to the consolidated financial statements.

SUFFICIENCY OF PUBLIC FLOAT

Based on information that is publicly available to the Company and within the knowledge of the Directors, at least 25% of the Company's total issued share capital was held by the public as at the date of this report.

MAJOR CUSTOMERS AND SUPPLIERS

The percentage of sales and purchases for the financial year attributable to the Group's major customers and suppliers are as follow:

SALES	–	the largest customer	24.4%
	–	five largest customers	89.4%
PURCHASES	–	the largest supplier	31.1%
	–	five largest suppliers	64.1%

None of the Directors, their associates or any shareholder (which to the knowledge of the Directors owns more than 5% of the Company's share capital) had an interest in the major customers or suppliers noted above.

USE OF PROCEEDS

A summary of the use of proceeds of the Group as set out on page 6 of the annual report.

AUDITOR

Deloitte & Touche LLP resigned as the auditor of the Company with effect from 18 September 2020. RSM Hong Kong was appointed as the auditor to fill the vacancy and its appointment was approved by the Board of directors.

The consolidated financial statements of the Group for the year ended 31 December 2021 have been audited by RSM Hong Kong, who will retire at the conclusion of the forthcoming annual general meeting of the Company, and being eligible, offer themselves for re-appointment.

On behalf of the Board

Mr. Tan Chai Ling

(alias Mr. Chen Zhilong)

Chairman, Executive Director and Chief Executive Officer

31 March 2022

Environmental, Social and Governance Report

INTRODUCTION, ENVIRONMENTAL, SOCIAL AND GOVERNANCE POLICIES

Shuang Yun Holdings Limited (the “**Company**”, together with its subsidiaries, the “**Group**” or “**we**”) has a well-established presence in the construction industry. And is engaged in construction services and rental equipment in Singapore. In particular, its construction services include: (i) road construction services; (ii) construction ancillary services.

The Group holds firm belief that the employees are its most valuable asset. Therefore, the Group ensures constant development of our employees to present our customers with service of the highest calibre and relevance in the construction industry.

This Environmental, Social and Governance Report (the “**ESG Report**”) summarises the environmental, social and governance (“**ESG**”) initiatives, plans and performances of the Group and demonstrates its commitment to sustainable development.

THE ESG GOVERNANCE STRUCTURE

The Group has established the ESG working taskforce (the “**Taskforce**”). The Taskforce comprises full-time staff from relevant departments and is responsible for collecting relevant information on our ESG aspects for compiling the ESG Report. The Taskforce periodically reports to the Board of Directors (the “**Board**”), assists in identifying and assessing the Group’s ESG risks and the effectiveness of the internal control mechanisms. The Taskforce also examines and evaluates the Group’s performances in different aspects, such as environmental protection, labour practices, and other ESG aspects. The Board sets the general direction for the Group’s ESG strategies, ensuring the effectiveness of risks management and internal control mechanisms.

SCOPE OF REPORTING

The ESG Report covers the Group’s business activities in Singapore where its principal business operations are located, thus represents the Group’s major sources of revenue. The ESG key performance indicator (“**KPI**”) data is gathered and includes, but not limited to, Double-trans Pte. Ltd. and Samco Civil Engineering Pte. Ltd. which are under the Group’s direct operational control. The KPIs are shown in the ESG Report and are supplemented by explanatory notes to establish benchmarks. The Group will extend the scope of disclosures when and where applicable.

REPORTING FRAMEWORK

The ESG Report has been prepared in accordance with the Environmental, Social and Governance Reporting Guide (the “**ESG Reporting Guide**”) as set out in Appendix 27 of the Rules Governing the Listing of Securities on Main Board of The Stock Exchange of Hong Kong Limited.

Information relating to the Group’s corporate governance practices can be found in the Corporate Governance Report on pages 15 to 22 of the 2021 Annual Report.

REPORTING PERIOD

The ESG Report specifies the ESG activities, challenges and measures taken by the Group during the year ended 31 December 2021.

Environmental, Social and Governance Report

STAKEHOLDER ENGAGEMENT

The Group always attach great importance to the opinions of our stakeholders related to business and ESG issues. The Group acknowledges that a variety of external perspectives are relevant to identifying material issues. In order to understand and address stakeholders' expectations on both our ESG performance as well as risks and opportunities, the Group has maintained close communication with our key stakeholders, including but not limited to shareholders and investors, employees, suppliers, subcontractors, customers such as government authorities and construction contractors, media and the public.

In formulating operational and ESG strategies, the Group takes stakeholders' expectations into consideration by utilising diversified engagement methods and communication channels as shown below.

Stakeholders	Communication Channel	Expectations
Shareholders and investors	<ul style="list-style-type: none"> Annual general meetings and other shareholder meetings Annual reports and interim reports Announcements and circulars Company website 	<ul style="list-style-type: none"> Sustainable profitability and shareholder return Transparent reporting Sound corporate governance practices Long-term business growth
Government authorities	<ul style="list-style-type: none"> Written or electronic correspondences 	<ul style="list-style-type: none"> Reliable and consistent project delivery Compliance with local laws and regulations
Employees	<ul style="list-style-type: none"> Trainings, seminars, and briefing sessions Performance reviews Intranet 	<ul style="list-style-type: none"> Remuneration and benefits Fair and competitive employment practices and policies Safe and healthy work environment
Suppliers and subcontractors	<ul style="list-style-type: none"> Supplier management meetings and events Supplier audit 	<ul style="list-style-type: none"> Fair competition Win-win cooperation
Customers	<ul style="list-style-type: none"> Customer satisfaction survey 	<ul style="list-style-type: none"> Customer information and privacy protection
Media and the public	<ul style="list-style-type: none"> ESG report 	<ul style="list-style-type: none"> Corporate social responsibility Environmental topics

Environmental, Social and Governance Report

MATERIALITY ASSESSMENT

The respective management and employees responsible for key functions of the Group have participated in the preparation of the ESG Report. They have assisted the Group in reviewing its operations, identified key ESG issues and its importance to our businesses and stakeholders. The Group has compiled a questionnaire in reference to the identified material ESG aspects to collect the information from relevant departments and business units of the Group.

The following table is a summary of the Group's material ESG issues included in the ESG Report:

The ESG Reporting Guide	Material ESG aspects of the Group
A. Environmental	
A1. Emissions	Greenhouse Gas ("GHG") Emissions Waste Management
A2. Use of Resources	Energy Efficiency Water Consumption
A3. The Environment and Natural Resources	Noise Control Vibration Control
B. Social	
B1. Employment	Recruitment, Promotion and Remuneration Other Benefits and Welfare
B2. Health and Safety	Provision of Safe Environment to Employees Safety Trainings and Inspections
B3. Development and Training	Training and Development
B4. Labour Standards	Prevention of Child and Forced Labour
B5. Supply Chain Management	Fair and Open Tendering
B6. Product Responsibility	Quality Control of Projects
B7. Anti-corruption	Whistle-blowing Mechanism
B8. Community Investment	Community Participation

For the year ended 31 December 2021, the Group confirmed that it has established appropriate and effective management policies and internal control systems for ESG issues and confirmed that the disclosed contents are in compliance with the requirements of the ESG Reporting Guide.

Environmental, Social and Governance Report

CONTACT US

The Group welcomes stakeholders to provide their opinions and suggestions. You can provide valuable advice in respect of the ESG Report or our performances in sustainable development by email at admin@samco.com.sg.

A. ENVIRONMENTAL

A1. Emissions

General Disclosure and KPIs

The Group principally engages in the provision of road construction services and construction ancillary services. As a socially responsible corporation, the Group recognises its responsibilities towards potential direct and indirect negative environmental impacts associated with our business operation and has imposed effective mechanism to reduce emissions and resource consumption.

The Group has also established an Integrated Management System (“**IMS**”) which comprises (i) ISO 9001 (Quality Management System); (ii) OHSAS 18001 (Occupational Health and Safety Management System); and (iii) ISO 14001 (Environmental Management System) for the provision of general building and civil engineering works to govern ESG-related aspects of the operations, including but not limited to procedures for air pollution control, construction waste management, and water pollution control. Meanwhile, the Group educates and encourages our employees to contribute towards sustainability by adopting environmentally friendly fit out methods and planning their works to efficiently eliminate waste to the maximum extent with the view of achieving long-term cost savings.

During the year ended 31 December 2021, the Group was not aware of any material non-compliance with laws and regulations including but not limited to, Environmental Public Health Act (Chapter 95 of Singapore) and Earth Control Measures under the Sewerage and Drainage Act (Chapter 294 of Singapore), relating to air and GHG emissions, discharges into water and land, and generation of hazardous and non-hazardous waste that would have a significant impact on the Group.

Environmental, Social and Governance Report

Air Emissions

Due to our business nature, the Group considers that the relevant air emission generated is of an insignificant level.

To further reduce dust generation in the construction sites, the Group has implemented the following into the Green and Gracious Project Management Plan

- Covering exposed earth with sheets and erosion control blanket to reduce dust and prevent silt discharge; and
- Covering dust generating materials during transportation.

Summary of exhaust gases emissions performances:

Exhaust Gases Emissions	Unit	2021	2020
Nitrogen oxides ("No _x ")	Tonnes	2.41	1.09
Sulphur oxides ("So _x ")	Tonnes	0.0294	0.0137
Particulate Matter ("PM")	Tonnes	0.18	0.08

GHG Emissions

The principal GHG emissions of the Group are generated from the diesel consumption of vehicles (Scope 1) and purchased electricity (Scope 2).

Scope 1 – Direct GHG Emissions

- The Group has adopted the following measures to mitigate the direct GHG emissions from diesel consumption in our operations:
- Promote and adopt high efficiency or energy-saving equipment e. g. environmentally friendly tipper trucks with Euro 6 standards;
- Plan routes well ahead of time to optimise fuel consumption;
- Promote energy-saving and emission reduction to raise energy-saving and environmental awareness among most staff;
- Examine and obtain certification for the vehicles per section 90 of Road Traffic Act; and
- Provide regular maintenance service to the vehicles to ensure optimal engine performance and fuel use.

Environmental, Social and Governance Report

Scope 2 – Indirect GHG Emissions

Electricity consumption accounts for the largest indirect GHG emissions within the Group. The Group has implemented measures to reduce energy consumption, said measures are mentioned in Aspect A2 Use of Resources.

As a result, the employees' awareness of reducing GHG emissions has been increased through these measures.

Summary of GHG emissions performances:

Indicator	Unit	2021	2020
Scope 1–Direct GHG emissions			
• Petrol and diesel consumption	tCO _{2e} ²	4,768.69	2,231.15
Scope 2–Indirect GHG emissions			
• Purchased electricity	tCO _{2e}	37.28	10.46
Total GHG emissions		4,805.97	2,241.61
Intensity			
	tCO _{2e} /employee ³	11.66	6.12
	tCO _{2e} /million revenue (S\$) ⁴	61.3	35.03

Note:

- GHG emissions data is presented in terms of carbon dioxide equivalent and is based on, but not limited to, "The Greenhouse Gas Protocol: A Corporate Accounting and Reporting Standards" issued by the World Bank Institute and the World Business Council for Sustainable Development, "How to prepare an ESG report? – Appendix II: Reporting Guidance on Environmental KPIs" issued by the Hong Kong Stock Exchange, the "Global Warming Potential Values" from the IPCC Fifth Assessment Report, 2015 (AR5) and the Electricity Grid Emission Factors and Upstream Fugitive Methane Emission Factor issued by the Energy Market Authority of Singapore.
- tCO_{2e} is defined as tonnes of carbon dioxide equivalent.
- As at 31 December 2021, the Group had 412 full-time employees. The data is also used for calculating other intensity data.
- During the year ended 31 December 2021, the Group recorded a revenue of S\$78.4 million. The data is also used for calculating other intensity data.

Environmental, Social and Governance Report

Sewage Discharge

The water and sewage discharge at the construction sites were borne by the subcontractors of the Group, therefore the discharge pertaining to activities in construction sites were not included in this ESG Report. The Group's office did not consume a significant and disproportional amount of water through business activities.

Waste Management

Hazardous Waste Handling Method

No material hazardous waste, according to the list of waste considered as being hazardous under the Schedule of the Environmental Public Health (Toxic Industrial Waste) Regulations 1988 of Singapore, has been generated by the Group during the year ended 31 December 2021. The Group hires subcontractors to dispose of construction waste; the treatment for any hazardous waste complies with strict local regulations.

Non-hazardous Waste Handling Method

The Group's wastes came from office and construction sites. The wastes generated in construction sites are removed by subcontractors. The Group proactively commits to reducing waste by upcycling.

In construction sites, decommissioned construction materials such as lorry containers and galvanised iron pipes were upcycled into shoe racks or stands for drinking water. Milled waste was recycled to cover access road and site office car park to reduce dust pollution on site.

In the office, a number of green measures are encouraged, such as double-sided printing or photocopying, printing electronic correspondences only when necessary, recycling one-sided printed paper and avoiding the use of single-use disposable items.

As a result, the employees' awareness of waste management has been increased through these implementations.

Summary of major non-hazardous waste discharge performance:

Category of Waste	Unit	2021	2020
Office paper	Tonnes	1.00	0.90
Intensity	Tonnes/employee	0.0024	0.0024
	Tonnes/million revenue (S\$)	0.0128	0.0140

Environmental, Social and Governance Report

A2. Use of Resources

General Disclosure and KPIs

The Group takes initiatives to introduce measures to increase energy and resource efficiency and adopt eco-friendly approaches in the Group's business operations.

The Group takes pride in the implementation of the Green and Gracious Policy, the Group is committed to promoting more efficient use of resources. The said policy aims to help create a green and gracious workplace for our staff and workers as well as to maintain a clean and safe living environment for the nearby communities.

Energy Efficiency

The Group aims to minimise environmental impacts in our operations by identifying and adopting appropriate measures in our operations. Related policies and initiatives on energy conservation and resource utilisation have been developed. All employees are duly notified of the implementation of such policies and measures. Regular review is conducted on our energy objectives and targets to seek continuous improvement in the Group's energy performance. Should the usage of energy in any of the Company's operations increase unreasonably, the Group will send reminders via email to remind relevant departments of energy conservation.

During the year ended 31 December 2021, the Group has performed the following measures to increase energy efficiency:

- Use solar energy to power machines;
- Use AC grid power supply instead of diesel generators for site office;
- Switch off unnecessary lightings and electrical appliances when not in use;
- Set up procedures for on-site energy consumption monitoring system; and
- Adopt higher energy-efficiency office equipment in our workplace.

As a result, the employees' awareness of energy conservation has been increased through these energy-saving measures.

Environmental, Social and Governance Report

Summary of energy consumption:

Type of Energy	Unit	2021	2020
Diesel	kWh	19,525,799.11	9,135,635.71
Intensity	kWh/employee	47,392.72	24,960.75
	kWh/million revenue (S\$)	249,053.56	142,744.31
Electricity	kWh	46,597.76	13,078.12
Intensity	kWh/employee	113.10	35.73
	kWh/million revenue (S\$)	594.36	204.35

Water Consumption

The Group is committed to reducing water usage by promoting awareness of water conservation amongst its employees. The procedure for water conservation measures has been enforced. As a result, the employees' awareness of water conservation has been increased through these energy-saving measures.

The data on water consumption listed below only included water used in the office, since the said consumption at construction sites are normally billed to the subcontractors and the Group does not have direct control over the water consumption at the construction sites. With the exception of small-scale construction sites, where the Group transports water tanks with water originated and billed from the registered address of the Group's office.

To develop the habit of water conservation, reminders in the form of posters can be seen around construction sites and the office. Other actions taken by the Group also include:

- Installation of dual flush water cistern in toilets and water-saving thimble in sinks in washrooms; and
- Utilisation of recycled water for washing of vehicles, cleaning of dirty roads and site vicinity and wetting of roads to reduce dust pollution.

Due to our business nature, the Group did not encounter any problem in sourcing water that is fit for purpose.

Environmental, Social and Governance Report

Summary of water consumption performance:

Indicator	Unit	2021	2020
Total water consumption	m ³	22,658.60	16,856.00
Intensity	m ³ /employee	55.00	46.05
	m ³ /million revenue (S\$)	289.01	263.38

Use of Packaging Material The use of packaging materials is not considered as a material ESG aspect of the Group; the Group does not have business activities concerning industrial production or any factory facilities.

A3. The Environment and Natural Resources

General Disclosure and KPIs

The Group is committed to minimising negative environmental impacts occasioned by our business operations and has been very proactive in reducing any environmental impacts by adopting a multi-faceted approach.

Noise Control

The Group recognises that noise pollution may be generated as a result of our business nature. Therefore, the Group has implemented a number of measures to reduce noise level and ensure that the quality of life of the neighbours would not be severely disrupted. They are as follows:

- Guidelines are set for construction projects according to the regulations of the National Environment Agency of Singapore;
- Noise level is regularly monitored to ensure that constructions do not generate noise levels higher than prescribed;
- A Noise Management Plan is drafted for each construction project, its measures include restricting piling work at certain hours of the day;
- Machinery sound barriers are set up; and
- Noise barriers are erected at the construction sites where residential buildings are in close proximity.

Environmental, Social and Governance Report

Vibration Control

The Group recognises vibration as a potential issue to the environment. Measures have been strictly enforced and are as follows:

- Vibration level is limited to 7 mm/s or less; and
- Vibration monitoring instruments are installed at the construction sites.

Recent monitoring reports conducted by an independent organisation showed that the vibration threshold was not triggered.

Apart from the known potential negative environmental impacts, the Group regularly assesses the potentiality of other impacts pertaining to our business activities and adopts preventive measures to reduce potential risks. These can include hanging banners at the vicinity of the construction sites with designated hotlines visibly displayed should the public wish to file a complaint on non-compliance, as well as fostering public communication with residents, tenants and town council around the construction sites.

Managing over environmental impact

The Group aims to promote environmental protection and gracious practices during the construction phase. The Group procures environmentally friendly products such as energy efficient printing machines and toiletry products on site, with the hopes of advocating our workers on the importance of environmental protection and that even the effort of an individual is of importance. Furthermore, environmental posters are displayed around the office and construction sites to remind the workers to take action.

External vendors are employed to conduct vector control regularly at the sites, on top of our pre-existing in-house vector inspection on site.

Double-Trans Pte. Ltd. was awarded the BCA Green and Gracious Builder Award in 2019, signifying that our effort in building a safe and sustainable built environment has been recognised by the Building and Construction Authority.

Environmental, Social and Governance Report

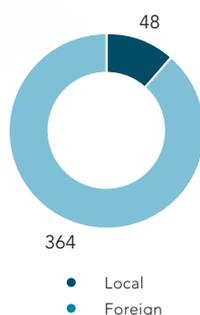
B. SOCIAL

B1. Employment

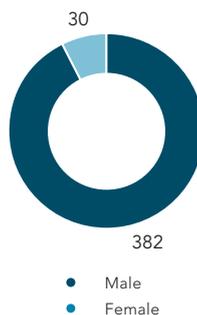
General Disclosure

As at 31 December 2021, our Group employs over 412 employees (local and foreign workers). All our employees are based in Singapore. For the year ended 31 December 2021, our employees' turnover rate is approximately 45%. Below are the detailed breakdown of our employee by local (Singaporean and Singapore permanent residents) and foreign employees, gender and age group as at 31 December 2021:

Number of local and foreign employees



Number of employees by gender



Number of employees by age group



Employees' remuneration is commensurate with their job nature, qualifications and experience. Salaries and wage rates are usually subject to an annual review that are based on performance appraisals and other relevant factors. We strongly encourage internal promotion and a variety of job opportunities is offered to the existing staff when it is best suited.

Employees are informed of the general working hours, benefits and performance appraisals in our Employee's Handbook. Further, we have a recruitment policy in place in hiring construction foreign workers.

Employee's handbook

Our employee's handbook detailed out the general terms and conditions of employment as well as certain employment procedures with our Group. It includes the general working hours for both office and site staff, probation period, overtime allowance, termination procedures, medical benefits, various types of leave and performance review. We have in place a transparent system for assessing staff performance based on knowledge and skills, quality of work, initiative, attitude and respect towards authority, safety awareness which includes workplace safety and environmental control, interpersonal relation and teamwork, punctuality, professional conduct, pace of work and self-development.

Environmental, Social and Governance Report

Recruitment policy in hiring construction foreign workers

As an employer of foreign workers, we are required to comply with the rule and regulation as stipulated by the Ministry of Manpower of Singapore (“**MOM**”). Hence, we have a specific policy in place to ensure the recruitment process is in compliance with MOM’s regulations and requirements, provide equal opportunity in employment practices without discrimination in race and religion, and fill the vacancies with suitable candidates.

For the year ended 31 December 2021, the Group had no material incidences of non-compliance with relevant laws and regulations regarding employment practices.

Human resources policy

Our human resources policy serves as a guideline to our human resources department as well as our employees in relation to matters on resource planning, interview, enrolment, probation, training, employee data maintenance, termination and resignation, performance, evaluation and feedback mechanism, compensation, payroll, and leave application.

Employee welfare and working conditions

As part of providing an engaging working environment, we organize various occasions as an avenue for our employees to get together. The Group encourages communication and interaction of the staff with the management. Through these gatherings, management is alerted to issues raised by staffs and can carry out responsive measures to improve operations if appropriate.

B2. Employee health and safety

General Disclosure

We recognised the importance of maintaining a safe, effective and congenial working environment and policies to provide sufficient protection to our staff. Hence, we have put various occupational health and safety measures in place and regularly perform check on the working environment and staff facilities. Not only that, we have obtained OHSAS 18001 as a recognition of our compliance with occupational health and safety requirements.

Our occupational health and safety management system including the following three steps:

1. Hazard identification, risk assessment and controls’ determination

We maintain a list of relevant occupational and health safety hazards, based on analysis of our services and works performed, inspection reports and incident reports. Upon identification of the potential hazards, a risk assessment will be carried out to designate certain potential hazards as significant. Particular attention will be paid to these significant hazards during our formulation and implementation of controls. The list of potential hazards is reviewed and changes are updated on an annual basis.

Environmental, Social and Governance Report

2. *Legal and regulatory compliance*

We maintain a list of applicable occupational health and safety regulations and ensure that this is up-to-date. Changes to these rules and regulations will be communicated to our relevant departments and evaluation of our occupational health and safety compliance will be carried out.

3. *Objectives, targets and key performance indicators*

We have a key target of zero incident relating to occupational health and safety. The performance indicators are clearly defined, measured in terms of number of incidents.

B3. Training and development

General Disclosure

We are committed to providing staff training and development programs designed to help our employees enhancing their knowledge and skills to meet the challenges of a changing era. The Group recognises that the knowledge and skills of our employees are vital to the Group's continued business development and success, we, therefore, encourage our staff to pursue further with their professional development. We nominate staff to attend both internal and external training programs from time to time and when appropriate. Our training programs range from professional and technical training to personal development skills. In addition, the Group provides adequate job training to employees in order to equip them with practical knowledge and skills to tackle situations and challenges encountered in diverse work sites. To continuously attract new talents, the Group also provides education subsidies to encourage our staff in further developing their skills and broaden their knowledge.

100% of employees have undergone training organised internally and externally by the Group, totaling 2,735 hours. Average training hours completed per employee is 6.6 hours. For the year ended 31 December 2021, we incurred \$69,462 in external training programs.

B4. Labour Standards

General Disclosure

We are committed to find practical, meaningful and culturally appropriate responses to support the elimination of child and forced labour practices. We do not employ any person below the age of eighteen years at our workplace. We also prohibit the use of child labour and forced or compulsory labour at our workplace. None of our employee shall be made to work against his/her will or work as bonded/forced labour, or subject to corporal punishment or coercion. The implementation of this policy is the responsibility of our human resource departments and our site foreman. There is zero tolerance policy towards the use of child and forced labour. Human resource department shall keep all employment contracts and relevant documentation on the details of our employees. The Board shall also undertake random check of the records annually. For the year ended 31 December 2021, the Group did not identify any material violation of employment and labour standard.

Environmental, Social and Governance Report

B5. Supply chain management

General Disclosure

The Group relies on suppliers and subcontractors to ensure the quality and execute our works on a timely and reliable basis, consistent with the project requirements of our customers. All our suppliers and subcontractors are based in Singapore, effectively mitigating carbon emissions that result from haulage and transportation. For projects where we are the main contractor, our subcontractors are required to adhere to our IMS policy. Currently, the Group has more than 2,000 approved suppliers. The Group is keen on supporting its local economy, 100% of the procurement is sourcing locally in Singapore. In managing the environmental and social risks of our supply chain, we will perform assessments on all our suppliers and subcontractors prior to engaging them and inclusion in our approved suppliers list and our approved subcontractors list (the “**Approved Lists**”). We also monitor and assess our suppliers and subcontractors annually whereby those with poor performance will be removed from our Approved Lists. One of the criteria in our assessment relates to the existence and performance of the suppliers’ and subcontractors’ environmental, health and safety system.

B6. Product responsibility

General Disclosure

We recognise that good customer and after-sales services are the key influential factors to our success and sustainability. Therefore, we have set up a customer communication channel dedicated to handle customers’ queries and feedbacks efficiently. Similarly, customer complaints are thoroughly investigated and root causes are identified and acted upon accordingly. Protecting and safe-guarding our customers’ privacy have been one of our top agenda. Review and revision of the financial data and privacy policy are carried out regularly to ensure its effectiveness and compliance with relevant laws. Moreover, we acquired an ISO 9001 as an identification of our success in meeting customer expectations and delivering customer satisfaction.

During the year ended 31 December 2021, the Group was not aware of any incidents of non-compliance with laws and regulations that have a significant impact on the Group, including but not limited to Personal Data Protection Act 2012 of Singapore, concerning health and safety, advertising, labelling and privacy matters relating to products and services and methods of redress.

Environmental, Social and Governance Report

B7. Anti-corruption

General Disclosure

We are committed to maintain the highest ethical standards and vigorously enforce the integrity of our business practices in all aspects of our operations. We have in place a policy to ensure our Group and our employees comply with anti-bribery, anti-corruption and anti-money laundering laws and governmental guidance. Our Group and employees (i) are prohibited from paying or receiving a bribe of any kind; (ii) are prohibited from giving or offering anything of value to a public official; (iii) are required to comply with the Group's guidelines and authorisation levels in relation to the giving and receiving of gifts and hospitality; and (iv) fully comply with the applicable laws and regulations relating to anti-money laundering and terrorist financing. For the year ended 31 December 2021, we complied with the relevant laws and regulations in bribery, extortion, fraud and money laundering. There were no legal cases regarding corrupt practices and no complaints reported during the year ended 31 December 2021.

B8. Community investment

General Disclosure

We actively seek opportunities to repay society and in hope of creating a better living environment for local community. For the upcoming year, we are looking to set aside an agreed amount allocated to donations charity and support for good causes depending on the profitability of our Group. We are also looking into planning a series of charitable events in the upcoming year to inculcate the culture of participating in community work and giving back to the society.



RSM Hong Kong

29th Floor, Lee Garden Two, 28 Yun Ping Road,
Causeway Bay, Hong Kong

T +852 2598 5123

F +852 2598 7230

www.rsmhk.com

羅申美會計師事務所

香港銅鑼灣恩平道二十八號
利園二期二十九字樓

電話 +852 2598 5123

傳真 +852 2598 7230

www.rsmhk.com

INDEPENDENT AUDITOR'S REPORT TO THE SHAREHOLDERS OF SHUANG YUN HOLDINGS LIMITED

(Incorporated in the Cayman Islands with limited liability)

OPINION

We have audited the consolidated financial statements of Shuang Yun Holdings Limited (the "Company") and its subsidiaries (the "Group") set out on pages 54 to 116, which comprise the consolidated statement of financial position as at 31 December 2021, and the consolidated statement of profit or loss and other comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the consolidated financial statements give a true and fair view of the consolidated financial position of the Group as at 31 December 2021, and of its consolidated financial performance and its consolidated cash flows for the year then ended in accordance with International Financial Reporting Standards ("IFRSs") and have been properly prepared in compliance with the disclosure requirements of the Hong Kong Companies Ordinance.

BASIS FOR OPINION

We conducted our audit in accordance with Hong Kong Standards on Auditing ("HKSAAs") issued by the Hong Kong Institute of Certified Public Accountants (the "HKICPA"). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are independent of the Group in accordance with the HKICPA's Code of Ethics for Professional Accountants (the "Code"), and we have fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

KEY AUDIT MATTERS

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters. The key audit matters we identified are:

Independent Auditor's Report

Revenue recognition of construction contracts

Key Audit Matter

Revenue recognition of construction contracts

Refer to note 8 to the consolidated financial statements

The Group is involved in road construction services for which it applies input method to measure the Group's progress towards complete satisfaction of a performance obligation and recognise revenue over time in accordance with IFRS 15 Revenue from Contracts with Customers.

Significant judgement is required to estimate the total cost on completion. The uncertainty and subjectivity involved in determining the total cost on completion may result in a significant impact to the revenue recognised during the year.

How our audit addressed the Key Audit Matter

Our procedures included:

- Obtained an understanding and evaluated the design and implementation of the relevant controls that addressed the significant risks associated with revenue recognition and cost recognition and estimation;
- Performed substantive tests of details on a sampling basis for costs incurred during the year and checked that costs incurred were recorded in the correct accounting period;
- Obtained the estimated total cost on completion and assessed the reasonableness of the estimates used by management, including on a sampling basis, agreed the estimate to the supporting documents and performed retrospective review on completed projects;
- Agreed the contract sum or any variation orders to the signed agreements; and
- Re-computed the percentage of progress of the contracts based on input method to test the accuracy of the percentage of progress used to recognise revenue.

OTHER INFORMATION

The directors are responsible for the Other Information. The Other Information comprises all of the information included in the annual report other than the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the Other Information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the Other Information and, in doing so, consider whether the Other Information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed, we conclude that there is a material misstatement of this Other Information, we are required to report that fact. We have nothing to report in this regard.

RESPONSIBILITIES OF DIRECTORS FOR THE CONSOLIDATED FINANCIAL STATEMENTS

The directors are responsible for the preparation of the consolidated financial statements that give a true and fair view in accordance with IFRSs and the disclosure requirements of the Hong Kong Companies Ordinance, and for such internal control as the directors determine is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

The Audit Committee assists the directors in discharging their responsibilities for overseeing the Group's financial reporting process.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE CONSOLIDATED FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. We report our opinion solely to you, as a body, and for no other purpose. We do not assume responsibility towards or accept liability to any other person for the contents of this report.

Independent Auditor's Report

Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with HKSA's will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with HKSA's, we exercise professional judgement and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with the Audit Committee regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Independent Auditor's Report

We also provide the Audit Committee with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, actions taken to eliminate threats or safeguards applied.

From the matters communicated with the Audit Committee, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when, in extremely rare circumstances, we determine that a matter should not be communicated in our report because the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Tam Shing Yu.

Certified Public Accountants

31 March 2022

Consolidated Statement of Profit or Loss and Other Comprehensive Income

For the year ended 31 December 2021

	Note	2021 S\$	2020 S\$
Revenue	8	78,415,848	65,445,959
Cost of services		(66,511,841)	(55,891,892)
Gross profit		11,904,007	9,554,067
Other income	9	1,876,533	2,803,568
Other gains	10	333,414	247,885
Administrative expenses		(9,556,370)	(9,626,575)
Profit from operations		4,557,584	2,978,945
Finance costs	11	(2,479,015)	(2,406,395)
Profit before tax		2,078,569	572,550
Income tax expense	12	(113,026)	–
Profit for the year	13	1,965,543	572,550
Other comprehensive income after tax: <i>Item that will not be reclassified to profit or loss:</i>			
Loss on revaluation of properties		(143,621)	(467,827)
Other comprehensive income for the year, net of tax		(143,621)	(467,827)
Total comprehensive income for the year attributable to owners of the Company		1,821,922	104,723
Earnings per share			
Basic and diluted (cents per share)	17	0.20	0.06

Consolidated Statement of Financial Position

At 31 December 2021

	Note	2021 S\$	2020 S\$
Non-current assets			
Property, plant and equipment	18	11,305,265	14,339,338
Investment properties	19	2,315,000	2,180,000
Right-of-use assets	20	8,913,362	11,553,920
		22,533,627	28,073,258
Current assets			
Trade receivables	21	80,760,558	75,839,314
Other receivables, deposits and prepayments	22	682,912	3,943,346
Contract assets	23	37,682,800	27,918,103
Bank deposits	24	200,000	200,000
Bank balances and cash	24	5,389,225	5,381,293
		124,715,495	113,282,056
Current liabilities			
Trade and other payables	25	20,178,968	23,647,505
Contract liabilities	23	26,163	1,465,194
Lease liabilities	26	4,394,258	4,280,079
Bank borrowings	27	53,447,488	44,845,902
Loan from the ultimate parent	28	3,680,000	–
Current tax liabilities		857,356	687,077
		82,584,233	74,925,757
Net current assets		42,131,262	38,356,299
Total assets less current liabilities		64,664,889	66,429,557

Consolidated Statement of Financial Position

At 31 December 2021

	<i>Note</i>	2021 <i>S\$</i>	2020 <i>S\$</i>
Non-Current liabilities			
Lease liabilities	26	5,229,411	8,505,016
Bank borrowings	27	1,856,731	1,542,302
Deferred tax liabilities	29	540,300	1,165,714
		7,626,442	11,213,032
NET ASSETS			
		57,038,447	55,216,525
Capital and reserves			
Share capital	30	17,381,244	17,381,244
Share premium		5,130,991	5,130,991
Reserves	32	34,526,212	32,704,290
TOTAL EQUITY			
		57,038,447	55,216,525

Approved by the Board of Directors on 31 March 2022 and are signed on its behalf by:

Tan Chai Ling
Director

Alynda Tan Hue Hong
Director

Consolidated Statement of Changes in Equity

For the year ended 31 December 2021

	Share capital S\$	Share premium S\$	Other reserves S\$	Revaluation reserve S\$	Retained profits S\$	Total S\$
		Note 32(b)(i)	Note 32(b)(ii)			
At 1 January 2020	17,381,244	5,130,991	10,700,000	1,185,003	20,714,564	55,111,802
Total comprehensive income for the year	-	-	-	(467,827)	572,550	104,723
At 31 December 2020 and 1 January 2021	17,381,244	5,130,991	10,700,000	717,176	21,287,114	55,216,525
Total comprehensive income for the year	-	-	-	(143,621)	1,965,543	1,821,922
At 31 December 2021	17,381,244	5,130,991	10,700,000	573,555	23,252,657	57,038,447

Consolidated Statement of Cash Flows

For the year ended 31 December 2021

	2021 S\$	2020 S\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Profit before tax	2,078,569	572,550
Adjustments for:		
Depreciation of property, plant and equipment	2,865,219	3,805,088
Depreciation of right-of-use assets	2,623,021	2,512,150
Finance costs	2,479,015	2,406,395
Gain on fair value change of investment properties	(135,000)	–
Gain on disposal of property, plant and equipment and right-of-use assets	(198,414)	(247,885)
Operating profit before working capital changes	9,712,410	9,048,298
Increase in trade receivables	(4,921,244)	(10,522,564)
Decrease/(increase) in other receivable, deposits and prepayments	3,260,434	(478,218)
Decrease in trade and other payables	(3,468,537)	(831,786)
(Increase)/decrease in contract assets	(9,764,697)	3,584,493
(Decrease)/increase in contract liabilities	(1,439,031)	1,312,638
Cash (used in)/generated from operations	(6,620,665)	2,112,861
Income taxes paid	(538,744)	(882,206)
Net cash (used in)/generated from operating activities	(7,159,409)	1,230,655
CASH FLOWS FROM INVESTING ACTIVITIES		
Purchase of property, plant and equipment	(105,156)	(185,065)
Proceeds from disposal of property, plant and equipment and right-of-use assets	817,747	483,676
Net cash generated from investing activities	712,591	298,611

Consolidated Statement of Cash Flows

For the year ended 31 December 2021

	2021 S\$	2020 S\$
CASH FLOWS FROM FINANCING ACTIVITIES		
New bank borrowings raised	100,945,208	109,260,653
Repayments of bank borrowings	(90,835,511)	(100,452,679)
Decrease in bank overdrafts	(1,193,682)	(2,984,333)
Principal elements of lease payments	(3,662,250)	(3,570,957)
Interest paid	(2,479,015)	(2,406,395)
Loan raised from the ultimate parent	3,680,000	–
Net cash generated from/(used in) financing activities	6,454,750	(153,711)
NET INCREASE IN CASH AND CASH EQUIVALENTS	7,932	1,375,555
CASH AND CASH EQUIVALENTS AT BEGINNING OF YEAR	5,381,293	4,005,738
CASH AND CASH EQUIVALENTS AT END OF YEAR	5,389,225	5,381,293
ANALYSIS OF CASH AND CASH EQUIVALENTS		
Bank balances and cash	5,389,225	5,381,293

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

1. GENERAL INFORMATION

Shuang Yun Holdings Limited (the “**Company**”) is incorporated in the Cayman Islands as an exempted company with limited liability. The address of its registered office is Cricket Square, Hutchins Drive, PO Box 2681, Grand Cayman, KY1-1111, Cayman Islands. The address of its principal place of business is No. 4, Sungei Kadut Street 2, Sungei Kadut Industrial Estate, Singapore. The Company’s shares are listed on the Main Board of The Stock Exchange of Hong Kong Limited (the “**Stock Exchange**”).

The Company is an investment holding company. The principal activities of its principal subsidiaries are set out in note 39.

In the opinion of the directors of the Company, Jian Sheng Holdings Limited, a company incorporated in the British Virgin Islands (the “**BVI**”), is the ultimate parent. Mr. Tan Chai Ling is the ultimate controlling party of the Company.

2. BASIS OF PREPARATION

These consolidated financial statements have been prepared in accordance with all applicable International Financial Reporting Standards (“**IFRSs**”) issued by the International Accounting Standards Board (the “**IASB**”). IFRSs comprise International Financial Reporting Standards (“**IFRS**”); International Accounting Standards (“**IAS**”); and Interpretations. These consolidated financial statements also comply with the applicable disclosure provisions of the Rules Governing the Listing of Securities on the Stock Exchange (“**Listing Rules**”) and with the disclosure requirements of the Hong Kong Companies Ordinance (Cap. 622). Significant accounting policies adopted by the Group are disclosed below.

The IASB has issued certain new and revised IFRSs that are first effective or available for early adoption for the current accounting period of the Group. Note 3 provides information on any changes in accounting policies resulting from initial application of these developments to the extent that they are relevant to the Group for the current and prior accounting periods reflected in these consolidated financial statements.

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS

(a) Application of new and revised IFRSs

The Group has applied the following amendments to IFRSs issued by the IASB for the first time, which are mandatorily effective for the annual period beginning on or after 1 January 2021 for the preparation of the consolidated financial statements:

Amendments to IFRS 9, IAS 39,
IFRS 7, IFRS 4 and IFRS 16

Amendments to IFRS 16

Interest Rate Benchmark Reform – Phase 2

COVID-19 Related Rent Concessions

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

(a) Application of new and revised IFRSs (Continued)

The application of the amendments to IFRSs in the current year had no material impact on the Group's financial positions and performance for the current and prior years and/or on the disclosures set out in these consolidated financial statements.

Amendments to IFRS 9, IAS 39, IFRS 7, IFRS 4 and IFRS 16, Interest Rate Benchmark Reform – Phase 2

The amendments provide targeted reliefs from (i) accounting for changes in the basis for determining contractual cash flows of financial assets, financial liabilities and lease liabilities as modifications, and (ii) discontinuing hedge accounting when an interest rate benchmark is replaced by an alternative benchmark rate as a result of the reform of interbank offered rates ("**IBOR reform**").

The application of the amendments had no impact on the consolidated financial statements.

Amendment to IFRS 16, COVID-19 Related Rent Concessions

The amendment provides a practical expedient that allows a lessee to by-pass the need to evaluate whether certain qualifying rent concessions occurring as a direct consequence of the COVID-19 pandemic ("**COVID-19 Related Rent Concessions**") are lease modifications and, instead, account for those rent concessions as if they were not lease modifications.

The Group has adopted the amendments and applied the practical expedient to all qualifying COVID-19 Related Rent Concessions granted to the Group during the year. Consequently, rent concessions received have been accounted for as negative variable lease payments recognised in profit or loss in the period in which the event or condition that triggers those payments occurred. There is no impact on the opening balance of equity at 1 January 2021.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

3. ADOPTION OF NEW AND REVISED INTERNATIONAL FINANCIAL REPORTING STANDARDS (Continued)

(b) New and revised IFRSs in issue but not yet effective

The Group has not applied any new and revised IFRSs that have been issued but are not yet effective for the financial year beginning 1 January 2021. These new and revised IFRSs include the following which may be relevant to the Group.

	Effective for accounting periods beginning on or after
Amendment to IFRS 16 COVID-19-Related Rent Concessions beyond 30 June 2021	1 April 2021
Amendments to IFRS 3 Business Combination – Reference to the Conceptual Framework	1 January 2022
Amendments to IAS 16 Property Plant and Equipment – Proceeds before Intended Use	1 January 2022
Amendments to IAS 37 Onerous Contracts – Cost of Fulfilling a Contract	1 January 2022
Annual Improvements to IFRSs 2018 – 2020 Cycle	1 January 2022
Amendments to IAS 1 Classification of Liabilities as Current or Non-current	1 January 2023
Amendments to IAS 1 Presentation of Financial Statements and IFRS Practice Statement 2 Making Materiality Judgements – Disclosure of Accounting Policies	1 January 2023
Amendments to IAS 8 Accounting Policies, Changes in Accounting Estimates and Errors – Definition of Accounting Estimates	1 January 2023
Amendments to IAS 12 Income Taxes – Deferred Tax Related to Assets and Liabilities Arising from a Single Transaction	1 January 2023

The Group is in the process of making an assessment of what the impact of these amendments and new standards is expected to be in the period of initial application. So far it has concluded that the adoption of them is unlikely to have a significant impact on the consolidated financial statements.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES

These consolidated financial statements have been prepared under the historical cost convention, unless mentioned otherwise in the accounting policies below (e.g. buildings and investment properties that are measured at fair value).

The preparation of consolidated financial statements in conformity with IFRSs requires the use of certain critical accounting estimates. It also requires the management to exercise its judgement in the process of applying the Group's accounting policies. The areas involving a higher degree of judgements or complexity, or areas where assumptions and estimates are significant to the consolidated financial statements are disclosed in note 5.

The significant accounting policies applied in the preparation of these consolidated financial statements are set out below.

(a) Consolidation

The consolidated financial statements include the financial statements of the Company and its subsidiaries made up to 31 December. Subsidiaries are entities over which the Group has control. The Group controls an entity when it is exposed, or has rights, to variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. The Group has power over an entity when the Group has existing rights that give it the current ability to direct the relevant activities, i.e. activities that significantly affect the entity's returns.

When assessing control, the Group considers its potential voting rights as well as potential voting rights held by other parties. A potential voting right is considered only if the holder has the practical ability to exercise that right.

Subsidiaries are consolidated from the date on which control is transferred to the Group. They are de-consolidated from the date the control ceases.

The gain or loss on the disposal of a subsidiary that results in a loss of control represents the difference between (i) the fair value of the consideration of the sale plus the fair value of any investment retained in that subsidiary and (ii) the Company's share of the net assets of that subsidiary plus any remaining goodwill and any accumulated foreign currency translation reserve relating to that subsidiary.

Intragroup transactions, balances and unrealised profits are eliminated. Unrealised losses are also eliminated unless the transaction provides evidence of an impairment of the asset transferred. Accounting policies of subsidiaries have been changed where necessary to ensure consistency with the policies adopted by the Group.

In the Company's statement of financial position, investments in subsidiaries are stated at cost less impairment losses, unless the investment is classified as held for sale (or included in a disposal group that is classified as held for sale).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Foreign currency translation

(i) *Functional and presentation currency*

Items included in the financial statements of each of the Group's entities are measured using the currency of the primary economic environment in which the entity operates (the "functional currency").

The consolidated financial statements are presented in Singapore dollars ("S\$"), which is the Company's functional and presentation currency.

(ii) *Transactions and balances in each entity's financial statements*

Transactions in foreign currencies are translated into the functional currency on initial recognition using the exchange rates prevailing on the transaction dates. Monetary assets and liabilities in foreign currencies are translated at the exchange rates at the end of each reporting period. Gains and losses resulting from this translation policy are recognised in profit or loss.

Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the foreign exchange rates ruling at the translation dates. The translation date is the date on which the Company initially recognises such non-monetary assets or liabilities. Non-monetary items that are measured at fair value in foreign currencies are translated using the exchange rates at the dates when the fair values are determined.

When a gain or loss on a non-monetary item is recognised in other comprehensive income, any exchange component of that gain or loss is recognised in other comprehensive income. When a gain or loss on a non-monetary item is recognised in profit or loss, any exchange component of that gain or loss is recognised in profit or loss.

(iii) *Translation on consolidation*

The results and financial position of all the Group entities that have a functional currency different from the Company's presentation currency are translated into the Company's presentation currency as follows:

- Assets and liabilities for each statement of financial position presented are translated at the closing rate at the date of that statement of financial position;
- Income and expenses are translated at average exchange rates for the period (unless this average is not a reasonable approximation of the cumulative effect of the rates prevailing on the transaction dates, in which case income and expenses are translated at the exchange rates on the transaction dates); and

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(b) Foreign currency translation (Continued)

(iii) Translation on consolidation (Continued)

- All resulting exchange differences are recognised in other comprehensive income and accumulated in the foreign currency translation reserve.

On consolidation, exchange differences arising from the translation of monetary items that form part of the net investment in foreign entities are recognised in other comprehensive income and accumulated in the foreign currency translation reserve. When a foreign operation is sold, such exchange differences are reclassified to consolidated profit or loss as part of the gain or loss on disposal.

Goodwill and fair value adjustments arising on the acquisition of a foreign entity are treated as assets and liabilities of the foreign entity and translated at the closing rate.

(c) Property, plant and equipment

Property, plant and equipment are held for use in the production or supply of goods or services, or for administrative purposes. Property, plant and equipment are stated in the consolidated statement of financial position at cost, less subsequent accumulated depreciation and subsequent accumulated impairment losses, if any.

Subsequent costs are included in the asset's carrying amount or recognised as a separate asset, as appropriate, only when it is probable that future economic benefits associated with the item will flow to the Group and the cost of the item can be measured reliably. All other repairs and maintenance are recognised in profit or loss during the period in which they are incurred.

Buildings held for use in the production or supply of goods or services, or for administrative purposes, are stated in the consolidated statement of financial position at their revalued amounts, being the fair value at the date of revaluation, less any subsequent accumulated depreciation and subsequent accumulated impairment losses. Revaluations are performed with sufficient regularity such that the carrying amounts do not differ materially from those that would be determined using fair values at the end of each reporting period.

Any revaluation increase arising on the revaluation of such buildings is recognised in other comprehensive income and accumulated in revaluation reserve, except to the extent that it reverses a revaluation decrease for the same asset previously recognised in profit or loss, in which case the increase is credited to profit or loss to the extent of the decrease previously expensed. A decrease in the carrying amount arising on the revaluation of such buildings is recognised in profit or loss to the extent that it exceeds the balance, if any, held in the revaluation reserve relating to a previous revaluation of that asset.

Depreciation of revalued buildings is recognised in profit or loss. On the subsequent sale or retirement of a revalued property, the attributable revaluation surplus remaining in the revaluation reserve is transferred directly to retained profits.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(c) Property, plant and equipment (Continued)

Depreciation of property, plant and equipment is calculated at rates sufficient to write off their cost less their residual values over the estimated useful lives on a straight-line basis. The principal annual rates are as follows:

Motor vehicles	5 years
Plant and machinery	10 years
Computers	3 years
Furniture and fittings	5 years
Equipment	10 years
Leasehold improvement	Shorter of 10 years or the lease terms
Buildings	Over remaining useful lives by reference to relevant terms of lease ranging from 10 to 55 years

The residual values, useful lives and depreciation method are reviewed and adjusted, if appropriate, at the end of each reporting period, with the effect of any changes in estimate accounted for on a prospective basis.

The gain or loss on disposal of property, plant and equipment is the difference between the net sales proceeds and the carrying amount of the relevant asset, and is recognised in profit or loss.

(d) Investment properties

Investment properties are land and/or buildings which are owned or held under a leasehold interest to earn rentals and/or for capital appreciation. These include land held for a currently undetermined future use and property that is constructed or developed for future use as investment property. An owned investment property is measured initially at its cost including all direct costs attributable to the property.

After initial recognition, the investment property is stated at its fair value. Gains or losses arising from changes in fair value of the investment property are recognised in profit or loss for the period in which they arise.

The gain or loss on disposal of an investment property is the difference between the net sales proceeds and the carrying amount of the property, and is recognised in profit or loss. Rental income from investment properties is accounted for as described in note 4(p).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases

At inception of a contract, the Group assesses whether the contract is, or contains, a lease. A contract is, or contains, a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. Control is conveyed where the customer has both the right to direct the use of the identified asset and to obtain substantially all of the economic benefits from that use.

(i) *The Group as lessee*

Where the contract contains lease component(s) and non-lease component(s), the Group has elected not to separate non-lease components and accounts for each lease component and any associated non-lease components as a single lease component for all leases.

At the lease commencement date, the Group recognises a right-of-use asset and a lease liability, except for short-term leases that have a lease term of 12 months or less and leases of low-value assets which, for the Group are primarily laptops and office furniture. When the Group enters into a lease in respect of a low-value asset, the Group decides whether to capitalise the lease on a lease-by-lease basis. The lease payments associated with those leases which are not capitalised are recognised as an expense on a systematic basis over the lease term.

Where the lease is capitalised, the lease liability is initially recognised at the present value of the lease payments payable over the lease term, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, using a relevant incremental borrowing rate. After initial recognition, the lease liability is measured at amortised cost and interest expense is calculated using the effective interest method. Variable lease payments that do not depend on an index or rate are not included in the measurement of the lease liability and hence are charged to profit or loss in the accounting period in which they are incurred.

The right-of-use asset recognised when a lease is capitalised is initially measured at cost, which comprises the initial amount of the lease liability plus any lease payments made at or before the commencement date, and any initial direct costs incurred. Where applicable, the cost of the right-of-use assets also includes an estimate of costs to dismantle and remove the underlying asset or to restore the underlying asset or the site on which it is located, discounted to their present value, less any lease incentives received. The right-of-use asset is subsequently stated at cost less accumulated depreciation and impairment losses, except for the right-of-use assets that meet the definition of investment property are carried at fair value in accordance with note 4(d).

Right-of-use assets in which the Group is reasonably certain to obtain ownership of the underlying leased assets at the end of the lease term are depreciated from commencement date to the end of the useful life. Otherwise, right-of-use assets are depreciated on a straight-line basis over the shorter of its estimated useful life and the lease term.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(e) Leases (Continued)

(i) *The Group as lessee* (Continued)

Refundable rental deposits paid are accounted under IFRS 9 and initially measured at fair value. Adjustments to fair value at initial recognition are considered as additional lease payments and included in the cost of right-of-use assets.

The lease liability is remeasured when there is a change in future lease payments arising from a change in an index or rate, or there is a change in the Group's estimate of the amount expected to be payable under a residual value guarantee, or there is a change arising from the reassessment of whether the Group will be reasonably certain to exercise a purchase, extension or termination option. When the lease liability is remeasured in this way, a corresponding adjustment is made to the carrying amount of the right-of-use asset, or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero.

The lease liability is also remeasured when there is a change in the scope of a lease or the consideration for a lease that is not originally provided for in the lease contract ("**lease modification**") that is not accounted for as a separate lease. In this case the lease liability is remeasured based on the revised lease payments and lease term using a revised discount rate at the effective date of the modification. The only exceptions are any rent concessions which arose as a direct consequence of the COVID-19 pandemic and which satisfied the conditions set out in paragraph 46B of IFRS 16. In such cases, the Group took advantage of the practical expedient not to assess whether the rent concessions are lease modifications, and recognised the change in consideration as negative lease payments in profit or loss in the period in which the event or condition that triggers the rent concessions occurred.

(ii) *The Group as lessor*

When the Group acts as a lessor, it determines at lease inception whether each lease is a finance lease or an operating lease. A lease is classified as a finance lease if it transfers substantially all the risks and rewards incidental to the ownership of an underlying asset to the lessee. If this is not the case, the lease is classified as an operating lease.

(f) Contract assets and contract liabilities

Contract asset is recognised when the Group recognises revenue before being unconditionally entitled to the consideration under the payment terms set out in the contract. Contract assets are assessed for expected credit losses ("**ECL**") in accordance with the policy set out in note 4(v) and are reclassified to receivables when the right to the consideration has become unconditional.

A contract liability is recognised when the customer pays consideration before the Group recognises the related revenue. A contract liability would also be recognised if the Group has an unconditional right to receive consideration before the Group recognises the related revenue. In such cases, a corresponding receivable would also be recognised.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(f) Contract assets and contract liabilities (Continued)

For a single contract with the customer, either a net contract asset or a net contract liability is presented. For multiple contracts, contract assets and contract liabilities of unrelated contracts are not presented on a net basis.

When the contract includes a significant financing component, the contract balance includes interest accrued under the effective interest method.

(g) Construction contracts

A contract with a customer is classified by the Group as a construction contract when the contract relates to work on assets under the control of the customer and therefore the Group's construction activities create or enhance an asset under the customer's control.

When the outcome of a construction contract can be reasonably measured, revenue from the contract is recognised progressively over time using the cost-to-cost method, i.e. based on the proportion of the actual costs incurred relative to the estimated total costs. The directors consider that this input method is an appropriate measure of the progress towards complete satisfaction of these performance obligations under IFRS 15.

The Group becomes entitled to invoice customers for construction of properties based on achieving a series of performance-related milestones. When a particular milestone is reached the customer is sent a relevant statement of work signed by a third party assessor and an invoice for the related milestone payment. The Group will previously have recognised a contract asset for any work performed. Any amount previously recognised as a contract asset is reclassified to trade receivables at the point at which it is invoiced to the customer. If the milestone payment exceeds the revenue recognised to date under the cost-to-cost method then the Group recognises a contract liability for the difference.

When the outcome of the contract cannot be reasonably measured, revenue is recognised only to the extent of contract costs incurred that are expected to be recovered.

If at any time the costs to complete the contract are estimated to exceed the remaining amount of the consideration under the contract, then a provision is recognised.

(h) Recognition and derecognition of financial instruments

Financial assets and financial liabilities are recognised in the consolidated statement of financial position when the Group entity becomes a party to the contractual provisions of the instrument.

Financial assets and financial liabilities are initially measured at fair value. Transaction costs that are directly attributable to the acquisition or issue of financial assets and financial liabilities (other than financial assets and financial liabilities at fair value through profit or loss) are added to or deducted from the fair value of the financial assets or financial liabilities, as appropriate, on initial recognition. Transaction costs directly attributable to the acquisition of financial assets or financial liabilities at fair value through profit or loss are recognised immediately in profit or loss.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(h) Recognition and derecognition of financial instruments (Continued)

The Group derecognises a financial asset only when the contractual rights to the cash flows from the asset expire, or when it transfers the financial asset and substantially all the risks and rewards of ownership of the asset to another entity. If the Group neither transfers nor retains substantially all the risks and rewards of ownership and continues to control the transferred asset, the Group recognises its retained interest in the asset and an associated liability for amounts it may have to pay. If the Group retains substantially all the risks and rewards of ownership of a transferred financial asset, the Group continues to recognise the financial asset and also recognises a collateralised borrowing for the proceeds received.

The Group derecognises financial liabilities when, and only when, the Group's obligations are discharged, cancelled or have expired. The difference between the carrying amount of the financial liability derecognised and the consideration paid and payable, including any non-cash assets transferred or liabilities assumed, is recognised in profit or loss.

(i) Financial assets

All regular way purchases or sales of financial assets are recognised and derecognised on a trade date basis. Regular way purchases or sales are purchases or sales of financial assets that require delivery of assets within the time frame established by regulation or convention in the marketplace. All recognised financial assets are measured subsequently in their entirety at either amortised cost or fair value, depending on the classification of the financial assets.

Debt instruments

Debt instruments held by the Group are classified into the following measurement category:

- amortised cost, if the instruments is held for the collection of contractual cash flows which represent solely payments of principal and interest. Interest income from the investment is calculated using the effective interest method.

(j) Trade and other receivables

A receivable is recognised when the Group has an unconditional right to receive consideration. A right to receive consideration is unconditional if only the passage of time is required before payment of that consideration is due. If revenue has been recognised before the Group has an unconditional right to receive consideration, the amount is presented as a contract asset.

Receivables are stated at amortised cost using the effective interest method less allowance for credit losses.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(k) Cash and cash equivalents

Cash and cash equivalents comprise cash at bank and on hand, demand deposits with banks and other financial institutions, and short-term, highly liquid investments that are readily convertible into known amounts of cash and which are subject to an insignificant risk of changes in value, having been within three months of maturity at acquisition. Cash and cash equivalents are assessed for ECL.

(l) Financial liabilities and equity instruments

Financial liabilities and equity instruments are classified according to the substance of the contractual arrangements entered into and the definitions of a financial liability and an equity instrument under IFRSs. An equity instrument is any contract that evidences a residual interest in the assets of the Group after deducting all of its liabilities. The accounting policies adopted for specific financial liabilities and equity instruments are set out below.

(m) Borrowings

Borrowings are recognised initially at fair value, net of transaction costs incurred, and subsequently measured at amortised cost using the effective interest method.

Borrowings are classified as current liabilities unless the Group has an unconditional right to defer settlement of the liability for at least 12 months after the reporting period.

(n) Trade and other payables

Trade and other payables are recognised initially at their fair value and subsequently measured at amortised cost using the effective interest method unless the effect of discounting would be immaterial, in which case they are stated at cost.

(o) Equity instruments

An equity instrument is any contract that evidence a residual interest in the assets of an entity after deducting all of its liabilities. Equity instruments issued by the Company are recorded at the proceeds received, net of direct issue costs.

(p) Revenue and other income

Revenue is recognised when control over a product or service is transferred to the customer, at the amount of promised consideration to which the Group is expected to be entitled, excluding those amounts collected on behalf of third parties. Revenue excludes value added tax or other sales taxes and is after deduction of any trade discounts.

Revenue from provision of construction services

Revenue from provision of construction services is recognised in accordance with Group's accounting policy for construction contracts in note 4(g).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(p) Revenue and other income (Continued)

Revenue from provision of construction ancillary services

Revenue from provision of construction ancillary services is recognised over time when the customer is simultaneously receiving and consuming the benefits as the Group performs the services.

Rental income

Rental income receivable under operating leases is recognised in profit or loss in equal instalments over the periods covered by the lease term, except where an alternative basis is more representative of the pattern of benefits to be derived from the use of the leased asset. Lease incentives granted are recognised in profit or loss as an integral part of the aggregate net lease payments receivable. Variable lease payments that do not depend on an index or a rate are recognised as income in the accounting period in which they are earned.

Interest income

Interest income is recognised as it accrues using the effective interest method. For financial assets measured at amortised cost or fair value through other comprehensive income (recycling) that are not credit-impaired, the effective interest rate is applied to the gross carrying amount of the asset. For credit impaired financial assets, the effective interest rate is applied to the amortised cost (i.e. gross carrying amount net of loss allowance) of the asset.

(q) Employee benefits

(i) Employee leave entitlements

Employee entitlements to annual leave are recognised when they accrue to employees. A provision is made for the estimated liability for annual leave as a result of services rendered by employees up to the end of the reporting period.

(ii) Retirement benefits

Payments to defined contribution retirement benefit plans are charged as an expense when employees have rendered the services entitling them to the contributions. Payments made to state-managed retirement benefit schemes, such as the Singapore Central Provident Fund, are dealt with as payments to defined contribution plans where the Group's obligations under the plans are equivalent to those arising in a defined contribution retirement benefit plan.

(iii) Termination benefits

A liability for a termination benefit is recognised at the earlier the dates when the Group can no longer withdraw the offer of the termination benefit and when the Group recognises any related restructuring costs and involves the payment of termination benefits.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(r) Borrowing costs

All borrowing costs are recognised in profit or loss in the period in which they are incurred.

(s) Government grants

A government grant is recognised when there is reasonable assurance that the Group will comply with the conditions attaching to it and that the grant will be received.

Government grants relating to income are deferred and recognised in profit or loss over the period to match them with the costs they are intended to compensate.

Government grants that become receivable as compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs are recognised in profit or loss in the period in which they become receivable.

(t) Taxation

Income tax represents the sum of the current tax and deferred tax.

The tax currently payable is based on taxable profit for the year. Taxable profit differs from profit recognised in profit or loss because of items of income or expense that are taxable or deductible in other years and items that are never taxable or deductible. The Group's liability for current tax is calculated using tax rates that have been enacted or substantively enacted by the end of the reporting period.

Deferred tax is recognised on differences between the carrying amounts of assets and liabilities in the consolidated financial statements and the corresponding tax bases used in the computation of taxable profit. Deferred tax liabilities are generally recognised for all taxable temporary differences and deferred tax assets are recognised to the extent that it is probable that taxable profits will be available against which deductible temporary differences, unused tax losses or unused tax credits can be utilised. Such assets and liabilities are not recognised if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

Deferred tax liabilities are recognised for taxable temporary differences arising on investments in subsidiaries, except where the Group is able to control the reversal of the temporary difference and it is probable that the temporary difference will not reverse in the foreseeable future.

The carrying amount of deferred tax assets is reviewed at the end of each reporting period and reduced to the extent that it is no longer probable that sufficient taxable profits will be available to allow all or part of the asset to be recovered.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(t) Taxation (Continued)

Deferred tax is calculated at the tax rates that are expected to apply in the period when the liability is settled or the asset is realised, based on tax rates that have been enacted or substantively enacted by the end of the reporting period. Deferred tax is recognised in profit or loss, except when it relates to items recognised in other comprehensive income or directly in equity, in which case the deferred tax is also recognised in other comprehensive income or directly in equity.

The measurement of deferred tax assets and liabilities reflects the tax consequences that would follow from the manner in which the Group expects, at the end of the reporting period, to recover or settle the carrying amount of its assets and liabilities.

For the purposes of measuring deferred tax for investment properties that are measured using the fair value model, the carrying amounts of such properties are presumed to be recovered through sale, unless the presumption is rebutted. The presumption is rebutted when the investment property is depreciable and is held within a business model of the Group whose business objective is to consume substantially all of the economic benefits embodied in the investment property over time, rather than through sale. If the presumption is rebutted, deferred tax for such investment properties are measured based on the expected manner as to how the properties will be recovered.

For the purposes of measuring deferred tax for leasing transactions in which the Group recognises the right-of-use assets and the related lease liabilities, the Group first determines whether the tax deductions are attributable to the right-of-use assets or the lease liabilities.

For leasing transactions in which the tax deductions are attributable to the lease liabilities, the Group applies IAS 12 requirements to right-of-use assets and lease liabilities separately. Temporary differences relating to right-of-use assets and lease liabilities are not recognised at initial recognition and over the lease terms due to application of the initial recognition exemption.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to set off current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Group intends to settle its current tax assets and liabilities on a net basis.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(u) Impairment of non-financial assets

The carrying amounts of non-financial assets are reviewed at each reporting date for indications of impairment and where an asset is impaired, it is written down as an expense through the consolidated statement of profit or loss and other comprehensive income to its estimated recoverable amount unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease. The recoverable amount is determined for an individual asset, unless the asset does not generate cash inflows that are largely independent of those from other assets or groups of assets. If this is the case, recoverable amount is determined for the cash-generating unit (“CGU”) to which the asset belongs. Recoverable amount is the higher of value in use and the fair value less costs of disposal of the individual asset or the CGU.

Value in use is the present value of the estimated future cash flows of the asset/CGU. Present values are computed using pre-tax discount rates that reflect the time value of money and the risks specific to the asset/CGU whose impairment is being measured.

Impairment losses for CGUs are allocated first against the goodwill of the unit and then pro rata amongst the other assets of the CGU. Subsequent increases in the recoverable amount caused by changes in estimates are credited to profit or loss to the extent that they reverse the impairment unless the relevant asset is carried at a revalued amount, in which case the reversal of the impairment loss is treated as a revaluation increase.

(v) Impairment of financial assets and contract assets

The Group recognises a loss allowance for ECL on investments in debt instruments that are measured at amortised cost, lease receivables, trade receivables and contract assets. The amount of ECL is updated at each reporting date to reflect changes in credit risk since initial recognition of the respective financial instrument.

The Group always recognises lifetime ECL for trade receivables, contract assets and lease receivables. The ECL on these financial assets are estimated using a provision matrix based on the Group’s historical credit loss experience, adjusted for factors that are specific to the debtors, general economic conditions and an assessment of both the current as well as the forecast direction of conditions at the reporting date, including time value of money where appropriate.

For all other financial instruments, the Group recognises lifetime ECL when there has been a significant increase in credit risk since initial recognition. However, if the credit risk on the financial instrument has not increased significantly since initial recognition, the Group measures the loss allowance for that financial instrument at an amount equal to 12-month ECL.

Lifetime ECL represents the ECL that will result from all possible default events over the expected life of a financial instrument. In contrast, 12-month ECL represents the portion of lifetime ECL that is expected to result from default events on a financial instrument that are possible within 12 months after the reporting date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets and contract assets (Continued)

Significant increase in credit risk

In assessing whether the credit risk on a financial instrument has increased significantly since initial recognition, the Group compares the risk of a default occurring on the financial instrument at the reporting date with the risk of a default occurring on the financial instrument at the date of initial recognition. In making this assessment, the Group considers both quantitative and qualitative information that is reasonable and supportable, including historical experience and forward-looking information that is available without undue cost or effort. Forward-looking information considered includes the future prospects of the industries in which the Group's debtors operate, obtained from economic expert reports, financial analysts, governmental bodies, relevant think-tanks and other similar organisations, as well as consideration of various external sources of actual and forecast economic information that relate to the Group's core operations.

In particular, the following information is taken into account when assessing whether credit risk has increased significantly since initial recognition:

- an actual or expected significant deterioration in the financial instrument's external (if available) or internal credit rating;
- significant deterioration in external market indicators of credit risk for a particular financial instrument;
- existing or forecast adverse changes in business, financial or economic conditions that are expected to cause a significant decrease in the debtor's ability to meet its debt obligations;
- an actual or expected significant deterioration in the operating results of the debtor;
- significant increases in credit risk on other financial instruments of the same debtor;
- an actual or expected significant adverse change in the regulatory, economic, or technological environment of the debtor that results in a significant decrease in the debtor's ability to meet its debt obligations.

Irrespective of the outcome of the above assessment, the Group presumes that the credit risk on a financial asset has increased significantly since initial recognition when contractual payments are more than 30 days past due, unless the Group has reasonable and supportable information that demonstrates otherwise.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets and contract assets (Continued)

Significant increase in credit risk (Continued)

Despite the foregoing, the Group assumes that the credit risk on a financial instrument has not increased significantly since initial recognition if the financial instrument is determined to have low credit risk at the reporting date. A financial instrument is determined to have low credit risk if:

- (i) the financial instrument has a low risk of default,
- (ii) the debtor has a strong capacity to meet its contractual cash flow obligations in the near term, and
- (iii) adverse changes in economic and business conditions in the longer term may, but will not necessarily, reduce the ability of the borrower to fulfil its contractual cash flow obligations.

The Group considers a financial asset to have low credit risk when the asset has external credit rating of “investment grade” in accordance with the globally understood definition or if an external rating is not available, the asset has an internal rating of “performing”. Performing means that the counterparty has a strong financial position and there is no past due amounts.

The Group regularly monitors the effectiveness of the criteria used to identify whether there has been a significant increase in credit risk and revises them as appropriate to ensure that the criteria are capable of identifying significant increase in credit risk before the amount becomes past due.

Definition of default

The Group considers the following as constituting an event of default for internal credit risk management purposes as historical experience indicates that receivables that meet either of the following criteria are generally not recoverable.

- when there is a breach of financial covenants by the counterparty; or
- information developed internally or obtained from external sources indicates that the debtor is unlikely to pay its creditors, including the Group, in full (without taking into account any collaterals held by the Group).

Irrespective of the above analysis, the Group considers that default has occurred when a financial asset is more than 90 days past due unless the Group has reasonable and supportable information to demonstrate that a more lagging default criterion is more appropriate.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets and contract assets (Continued)

Credit-impaired financial assets

A financial asset is credit-impaired when one or more events that have a detrimental impact on the estimated future cash flows of that financial asset have occurred. Evidence that a financial asset is credit-impaired includes observable data about the following events:

- significant financial difficulty of the issuer or the counterparty;
- a breach of contract, such as a default or past due event;
- the lender(s) of the counterparty, for economic or contractual reasons relating to the counterparty's financial difficulty, having granted to the counterparty a concession(s) that the lender(s) would not otherwise consider; or
- it is becoming probable that the counterparty will enter bankruptcy or other financial reorganisation; or
- the disappearance of an active market for that financial asset because of financial difficulties.

Write-off policy

The Group writes off a financial asset when there is information indicating that the debtor is in severe financial difficulty and there is no realistic prospect of recovery, including when the debtor has been placed under liquidation or has entered into bankruptcy proceedings. Financial assets written off may still be subject to enforcement activities under the Group's recovery procedures, taking into account legal advice where appropriate. Any recoveries made are recognised in profit or loss.

Measurement and recognition of ECL

The measurement of ECL is a function of the probability of default, loss given default (i.e. the magnitude of the loss if there is a default) and the exposure at default. The assessment of the probability of default and loss given default is based on historical data adjusted by forward-looking information as described above. As for the exposure at default, for financial assets, this is represented by the assets' gross carrying amount at the reporting date.

For financial assets, the ECL is estimated as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the original effective interest rate. For a lease receivable, the cash flows used for determining the ECL is consistent with the cash flows used in measuring the lease receivable in accordance with IFRS 16.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

4. SIGNIFICANT ACCOUNTING POLICIES (Continued)

(v) Impairment of financial assets and contract assets (Continued)

Measurement and recognition of ECL (Continued)

If the Group has measured the loss allowance for a financial instrument at an amount equal to lifetime ECL in the previous reporting period, but determines at the current reporting date that the conditions for lifetime ECL are no longer met, the Group measures the loss allowance at an amount equal to 12-month ECL at the current reporting date, except for assets for which simplified approach was used.

The Group recognises an impairment gain or loss in profit or loss for all financial instruments with a corresponding adjustment to their carrying amount through a loss allowance account.

(w) Provisions and contingent liabilities

Provisions are recognised for liabilities of uncertain timing or amount when the Group has a present legal or constructive obligation arising as a result of a past event, it is probable that an outflow of economic benefits will be required to settle the obligation and a reliable estimate can be made. Where the time value of money is material, provisions are stated at the present value of the expenditures expected to settle the obligation.

Where it is not probable that an outflow of economic benefits will be required, or the amount cannot be estimated reliably, the obligation is disclosed as a contingent liability, unless the probability of outflow is remote. Possible obligations, whose existence will only be confirmed by the occurrence or non-occurrence of one or more future events are also disclosed as contingent liabilities unless the probability of outflow is remote.

(x) Events after the reporting period

Events after the reporting period that provide additional information about the Group's position at the end of the reporting period or those that indicate the going concern assumption is not appropriate are adjusting events and are reflected in the consolidated financial statements. Events after the reporting period that are not adjusting events are disclosed in the notes to the consolidated financial statements when material.

5. KEY SOURCES OF ESTIMATION UNCERTAINTY

The key assumptions concerning the future, and other key sources of estimation uncertainty at the end of the reporting period, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year, are discussed below.

(a) Revenue and profit recognition

As explained in policy notes 4(g) and 4(p), revenue from construction services are recognised over time. Such revenue and profit recognition on uncompleted projects is dependent on estimating the total outcome of the contract, as well as the work done to date.

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For the year ended 31 December 2021

5. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(a) Revenue and profit recognition (Continued)

Based on the Group's recent experience and the nature of the construction activities undertaken by the Group, the Group has made estimates of the point at which it considered the work was sufficiently advanced such that the outcome of the contract can be reasonably measured. Until this point is reached the related contract assets disclosed in note 23 do not include profit which the Group might eventually realise from the work done to date. In addition, actual outcomes in terms of total cost or revenue may be higher or lower than estimated at the end of the reporting period, which would affect the revenue and profit recognised in future years as an adjustment to the amounts recorded to date.

During the year, S\$30,966,946 (2020: S\$19,909,187) of revenue from road construction services was recognised.

(b) Property, plant and equipment, right-of-use assets and depreciation

The Group determines the estimated useful lives, residual values and related depreciation charges for the Group's property, plant and equipment and right-of-use assets. This estimate is based on the historical experience of the actual useful lives and residual values of property, plant and equipment and right-of-use assets of similar nature and functions. The Group will revise the depreciation charge where useful lives and residual values are different to those previously estimated, or it will write-off or write-down technically obsolete or non-strategic assets that have been abandoned.

The carrying amount of property, plant and equipment and right-of-use assets as at 31 December 2021 was S\$11,305,265 (2020: S\$14,339,338) and S\$8,913,362 (2020: S\$11,553,920) respectively.

(c) Impairment of trade receivables and contract assets

The management of the Group estimates the amount of impairment loss for ECL on trade receivables and contract assets based on the credit risk of trade receivables and contract assets. The amount of the impairment loss based on ECL model is measured as the difference between all contractual cash flows that are due to the Group in accordance with the contract and all the cash flows that the Group expects to receive, discounted at the effective interest rate determined at initial recognition. Where the future cash flows are less than expected, or being revised downward due to changes in facts and circumstances, a material impairment loss may arise.

As at 31 December 2021, the carrying amount of trade receivables and contract assets is S\$118,443,358 (net of allowance for doubtful debts of S\$68,567) (2020: S\$103,757,417 (net of allowance for doubtful debts of S\$68,567)).

Notes to the Consolidated Financial Statements

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5. KEY SOURCES OF ESTIMATION UNCERTAINTY (Continued)

(d) Fair value of investment properties

The Group appointed an independent professional valuer to assess the fair value of the investment properties. In determining the fair value, the valuer has utilised a method of valuation which involves certain estimates. The directors have exercised their judgement and are satisfied that the method of valuation and inputs used are reflective of the current market conditions.

The carrying amount of investment properties as at 31 December 2021 was S\$2,315,000 (2020: S\$2,180,000).

6. FINANCIAL RISK MANAGEMENT

The Group's activities expose it to a variety of financial risks: foreign currency risk, credit risk, liquidity risk and interest rate risk. The Group's overall risk management programme focuses on the unpredictability of financial markets and seeks to minimise potential adverse effects on the Group's financial performance.

(a) Foreign currency risk

The Group has minimal exposure to foreign currency risk as most of its business transactions, assets and liabilities are principally denominated in S\$. The Group currently does not have a foreign currency hedging policy in respect of foreign currency transactions, assets and liabilities. The Group monitors its foreign currency exposure closely and will consider hedging significant foreign currency exposure should the need arise.

(b) Credit risk

Credit risk is the risk that a counterparty will not meet its obligations under a financial instrument or customer contract, leading to a financial loss. The Group is exposed to credit risk from its operating activities (primarily trade receivables) and from its financing activities, including deposits with banks and financial institutions, foreign exchange transactions and other financial instruments. The Group's exposure to credit risk arising from cash and cash equivalents is limited because the counterparties are banks and financial institutions with high credit-rating assigned by international credit-rating agencies, for which the Group considers to have low credit risk.

In order to minimise the credit risk, the Group has policies in place for determination of credit limits, credit approvals and other monitoring procedures to ensure that follow-up action is taken to recover overdue debts. Before accepting any new customer, the Group carries out research on the credit risk of the new customer and assesses the potential customer's credit quality and defines credit limits by customer. Limits attributed to customers are reviewed when necessary.

In addition, the Group reviews the recoverable amount of each individual trade debt at the end of each reporting period to ensure that adequate impairment losses are made for irrecoverable amounts.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

In this regard, management of the Group considers that the Group's credit risk is significantly reduced.

The Group's concentration of credit risk by geographical locations is mainly in Singapore, which accounted for 100% of the total financial assets as at 31 December 2020 and 2021.

Those customers are with good creditworthiness based on historical settlement record. In order to minimise the concentration of credit risk, the management has delegated staff responsible for determination of credit limits, credit approvals and other monitoring procedures to ensure follow-up action is taken to recover overdue debts. The management also performs periodic evaluations and customer visits to ensure the Group's exposure to bad debts is not significant and adequate impairment losses are made for irrecoverable amount. In this regard, management of the Group considers that the Group's credit risk is significantly reduced.

At the end of each reporting period, the Group's maximum exposure to credit risk, which will cause a financial loss to the Group due to failure to discharge an obligation by the counterparties is arising from the carrying amount of the respective recognised financial assets as stated in the consolidated statement of financial position.

The Group develops and maintains its credit risk grading to categorise according to their degree of risk of default.

Category	Description	Basis for recognising ECL
Performing	The counterparty has a low risk of default and does not have any past-due amounts	12-month ECL
Doubtful	Amount is >30 days past due or there has been a significant increase in credit risk since initial recognition.	Lifetime ECL – not credit-impaired
In default	Amount is >90 days past due or there is evidence indicating the asset is credit-impaired.	Lifetime ECL – not credit-impaired
Write-off	There is evidence indicating that the debtor is in severe financial difficulty and the Group has no realistic prospect of recovery	Amount is written off

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6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

The assessment of the credit quality and exposure to credit risk of the Group's trade receivables, other receivables, and contract assets have been disclosed in notes 21, 22 and 23 respectively. The tables below detail the credit quality of the Group's financial assets and other items, as well as maximum exposure to credit risk by credit risk rating grades:

31 December 2021	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
Trade receivables	21	Note	Lifetime ECL (simplified approach)	80,829,125	(68,567)	80,760,558
Other receivables	22	Note	12-month ECL	365,730	–	365,730
Contract assets	23	Performing	Lifetime ECL (simplified approach)	37,682,800	–	37,682,800
					(68,567)	

31 December 2020	Note	Internal credit rating	12-month or lifetime ECL	Gross carrying amount S\$	Loss allowance S\$	Net carrying amount S\$
Trade receivables	21	Note	Lifetime ECL (simplified approach)	75,907,881	(68,567)	75,839,314
Other receivables	22	Note	12-month ECL	3,163,686	–	3,163,686
Contract assets	23	Performing	Lifetime ECL (simplified approach)	27,918,103	–	27,918,103
					(68,657)	

Note: For trade receivables and contract assets, the Group has applied the simplified approach in IFRS 9 to measure the loss allowance at lifetime ECL. The Group determines the expected credit losses on these items based on historical credit loss experience and the past due status of the debtors, adjusted as appropriate to reflect current conditions and estimates of future economic conditions (Note 21 and 23).

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For the year ended 31 December 2021

6. FINANCIAL RISK MANAGEMENT (Continued)

(b) Credit risk (Continued)

Movement in the loss allowance account in respect of trade receivables and contract assets during the year is as follows:

	2021 S\$	2020 S\$
At 1 January and 31 December	68,567	68,567

Financial assets at amortised cost

All of the Group's financial assets at amortised cost are considered to have low credit risk, and the loss allowance recognised during the period was therefore limited to 12-month expected losses. Other instruments are considered to be low credit risk when they have a low of default and the issuer has a strong capacity to meet its contractual cash flow obligations in the near term.

(c) Liquidity risk

The Group's policy is to regularly monitor current and expected liquidity requirements to ensure that it maintains sufficient reserves of cash to meet its liquidity requirements in the short and longer term.

The maturity analysis based on the contractual undiscounted cash flows of the Group's non-derivative financial liabilities is as follows:

	Weighted average effective interest rate %	On demand or within 1 year S\$	2 to 5 years S\$	Over 5 years S\$	Total undiscounted cash flows S\$	Carrying amount S\$
At 31 December 2021						
Trade and other payables	N/A	20,178,968	-	-	20,178,968	20,178,968
Lease liabilities	2.50% - 7.81%	4,697,961	5,416,208	-	10,114,169	9,623,669
Bank borrowings	2.25% - 5.70%	55,316,451	1,627,773	462,899	57,407,123	55,304,219
Loan from the ultimate parent	N/A	3,680,000	-	-	3,680,000	3,680,000
At 31 December 2020						
Trade and other payables	N/A	23,647,505	-	-	23,647,505	23,647,505
Lease liabilities	2.79% - 8.28%	4,716,564	8,903,691	-	13,620,255	12,785,095
Bank borrowings	2.25% - 8.75%	45,879,002	895,278	964,209	47,738,489	46,388,204

Note: Bank loans with a repayment on demand clause are included in the 'on demand or within 1 year' time band in the above maturity analysis. As at 31 December 2021, the aggregate undiscounted principal amounts of these bank loans amounted to S\$23,730,456 (2020: S\$13,174,476) respectively. Taking into account the Group's financial position, the directors do not believe that it is probable that the banks will exercise their discretionary rights to demand immediate repayment. The directors believe that such bank loans will be repaid in accordance with the scheduled repayment dates set out in the loan agreements. At that time, the aggregate principal and interest cash outflows will amount to S\$25,500,053 (2020: S\$14,137,645).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

6. FINANCIAL RISK MANAGEMENT (Continued)

(d) Interest rate risk

The Group's cash flow interest rate risk primarily relates to variable-rate bank loans. It is the Group's policy to keep its borrowing at floating rate of interest so as to minimise the fair value interest rate risk.

The Group's finance leases bear interests at fixed interest rates and therefore are subject to fair value interest rate risks.

At 31 December 2021, if interest rates had been 50 basis points lower with all other variables held constant, profit after tax for the year would have been S\$207,150 (2020: S\$170,182) higher, arising mainly as a result of lower interest expense on bank borrowings. If interest rates had been 50 basis points higher, with all other variables held constant, profit after tax for the year would have been S\$207,150 (2020: S\$170,182) lower, arising mainly as a result of higher interest expense on bank borrowings.

(e) Categories of financial instruments at 31 December

	2021 S\$	2020 S\$
Financial assets:		
Financial assets measured at amortised cost	86,715,513	84,584,293
Financial liabilities:		
Financial liabilities measured at amortised cost	88,364,875	82,774,454

(f) Fair values

The carrying amounts of the Group's financial assets and financial liabilities as reflected in the consolidated statement of financial position approximate their respective fair values.

7. FAIR VALUE MEASUREMENTS

Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The following disclosures of fair value measurements use a fair value hierarchy that categorises into three levels the inputs to valuation techniques used to measure fair value:

Level 1 inputs: quoted prices (unadjusted) in active markets for identical assets or liabilities that the Group can access at the measurement date.

Level 2 inputs: inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 inputs: unobservable inputs for the asset or liability.

The Group's policy is to recognise transfers into and transfers out of any of the three levels as of the date of the event or change in circumstances that caused the transfer.

Notes to the Consolidated Financial Statements

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7. FAIR VALUE MEASUREMENTS (Continued)

(a) Disclosures of level in fair value hierarchy at 31 December:

Description	Fair value measurements using Level 3 S\$	Total 2021 S\$
Recurring fair value measurements:		
Investment properties		
Industrial units – Singapore	2,315,000	2,315,000
Property, plant and equipment		
Industrial units – Singapore	3,000,000	3,000,000
Total	5,315,000	5,315,000

Description	Fair value measurements using Level 3 S\$	Total 2020 S\$
Recurring fair value measurements:		
Investment properties		
Industrial units – Singapore	2,180,000	2,180,000
Property, plant and equipment		
Industrial units – Singapore	3,700,000	3,700,000
Total	5,880,000	5,880,000

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7. FAIR VALUE MEASUREMENTS (Continued)

(b) Reconciliation of assets measured at fair value based on level 3:

Description	Property, plant and equipment S\$	Investment properties S\$	2021 Total S\$
At 1 January 2021	3,700,000	2,180,000	5,880,000
Total gains or losses recognised in profit or loss ^(#)	–	135,000	135,000
in other comprehensive income	(700,000)	–	(700,000)
At 31 December 2021	3,000,000	2,315,000	5,315,000
^(#) Included gains or losses for assets held at the end of reporting period	–	135,000	135,000

Description	Property, plant and equipment S\$	Investment properties S\$	2020 Total S\$
At 1 January 2020	5,000,000	2,180,000	7,180,000
Total gains or losses recognised in other comprehensive income	(1,300,000)	–	(1,300,000)
At 31 December 2020	3,700,000	2,180,000	5,880,000

The total gains or losses recognised in other comprehensive income are presented in loss on revaluation of properties, net of tax in the consolidated statement of profit or loss and other comprehensive income.

The total gains or losses recognised in profit or loss including those for assets held at end of reporting period are presented in other gains in the consolidated statement of profit or loss.

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7. FAIR VALUE MEASUREMENTS (Continued)

(c) Disclosure of valuation process used by the Group and valuation techniques and inputs used in fair value measurements at 31 December 2021:

The Group's financial controller is responsible for the fair value measurements of assets and liabilities required for financial reporting purposes, including level 3 fair value measurements. The financial controller reports directly to the Board of Directors for these fair value measurements. Discussions of valuation processes and results are held between the financial controller and the Board of Directors at least once a year.

For level 3 fair value measurements, the Group will normally engage external valuation experts with the recognised professional qualifications and recent experience to perform the valuations.

Level 3 fair value measurements

Description	Valuation techniques	Unobservable inputs	Range	Effect on fair value for increase of inputs	Fair value	
					2021 S\$	2020 S\$
Investment properties	Direct comparable approach	Market prices	S\$5,475 per square meter to S\$5,635 per square meter (2020: S\$5,223 to S\$5,263)	Increase	2,315,000	2,180,000
Property, plant and equipment	Direct comparable approach	Market prices	S\$708 per square meter (2020: S\$873)	Increase	3,000,000	3,700,000

Note: During the two years, there were no changes in the valuation techniques used.

Notes to the Consolidated Financial Statements

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8. REVENUE AND SEGMENT INFORMATION

Segment information is reported to the Controlling Shareholders, being the chief operating decision maker (“CODM”) of the Group, for the purposes of resource allocation and performance assessment. The accounting policies are the same as the Group’s accounting policies as described in note 4. The CODM reviews revenue by nature of services, i.e. provision of road construction services and provision of construction ancillary services, and profit for the year as a whole. No further detailed analysis of the Group’s results by type of services nor assets and liabilities is regularly provided to the CODM for review. Accordingly, only entity wide disclosures on services, major customers and geographical information are presented in accordance with IFRS 8 Operating Segments.

(a) Disaggregation of revenue

Disaggregation of revenue from contracts with customers by service line for the year is as follows:

	2021 S\$	2020 S\$
Revenue from contracts with customers within the scope of IFRS 15		
Disaggregated by service lines		
– Revenue from road construction services	30,966,946	19,909,187
– Revenue from construction ancillary services	47,448,902	45,536,772
	78,415,848	65,445,959
By timing of recognition		
Over time	78,415,848	65,445,959

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8. REVENUE AND SEGMENT INFORMATION (Continued)

(b) Transaction price allocated to the remaining performance obligation for contracts with customers

The transaction price allocated to the remaining performance obligations (unsatisfied or partially unsatisfied) as at 31 December 2021 and the expected timing of recognising revenue as follows:

	2021 S\$	2020 S\$
Road construction services	56,975,237	25,627,898

Management expects that the transaction price allocated to the unsatisfied contracts as of 31 December 2021 will be recognised as revenue over the next 6 years (2020: 6 years).

(c) Major customers

Revenues from customers of the corresponding years contributing over 10% of the total revenue of the Group are as follows:

	2021 S\$	2020 S\$
Customer A	18,861,310	11,187,402
Customer B	16,142,056	9,603,325
Customer C	12,282,742	13,716,880
Customer D	7,952,395	8,059,526
Customer E	N/A	15,936,218

(d) Geographical information

The Group principally operates in Singapore. All revenue are derived from Singapore based on the location of services delivered and substantially all of the Group's non-current assets are located in Singapore.

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9. OTHER INCOME

	2021 S\$	2020 S\$
Claims for prolongation costs	125,378	–
Government grants (<i>Note</i>)	1,429,295	2,457,434
Rental income	283,429	287,306
Bank interest income	10,976	3,555
Sundry income	27,455	55,273
	1,876,533	2,803,568

Note: Government grants mainly include subsidy from the Special Employment Credit, the Wages Credit Scheme, the Construction Restart Booster, the Foreign Worker Levy Rebate, the Jobs Support Scheme, Rental Relief Framework and Skills Future Enterprise Credit, all of them are compensation for expenses or losses already incurred or for the purpose of giving immediate financial support to the Group with no future related costs.

During the years ended 31 December 2020 and 2021, grants amounting to S\$12,619, and S\$16,395 respectively, under Special Employment Credit were received. Under the Special Employment Credit, the government aims to encourage and facilitate Singapore-registered business to hire older Singaporean workers and persons with disabilities.

During the years ended 31 December 2020 and 2021, grants amounting to S\$27,877 and S\$11,045 respectively, under Wages Credit Scheme were received. Under this credit scheme, the government provides assistance to Singapore-registered businesses by way of provide co-fund 20% and 15% of wage increases given to Singapore Citizen employees earning a gross monthly wage of S\$4,000 and below in 2020 and 2021.

During the year ended 31 December 2020 and 2021, grants amounting to S\$1,366,350 and S\$533,770 respectively, under Foreign Worker Levy Rebate were received. Under Foreign Worker Levy Rebate, the employer receives a S\$250 (2020: S\$375 and S\$90) rebate monthly for each worker permit holder employed as at the 1st of each rebate month in the period of May 2021 to December 2021 (2020: period of July 2020 to September 2020 and the period of October 2020 to December 2020). This levy rebate scheme only applies to companies in the construction, marine shipyard and process sectors who have paid levy for the required month in full.

During the year ended 31 December 2020, grants amounting to S\$296,400, under Construction Restart Booster were received. Construction Restart Booster comprises two separate components: COVID-Safe firm-based support and COVID-Safe project-based support. Under COVID-Safe firm-based support, the government will help offset the additional costs for complying with COVID-safe requirements such as provision of personal protective equipment and masks for workers by providing S\$400 per construction worker employed per firm. Under COVID-Safe project-based support, the government will help offset the additional costs for ensuring project sites comply with COVID-Safe requirements including safe distancing measures by providing support based on the project contract value. The government provides S\$1,000 or 1.5% of the project contract value, capped at S\$150,000 maximum support per project to the projects which have value below S\$100,000 and S\$100,000 or above respectively.

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9. OTHER INCOME (Continued)

Note: (Continued)

During the year ended 31 December 2020 and 2021, grants amounting to S\$709,563 and S\$669,913 respectively, under Jobs Support Scheme were received. Under Jobs Support Scheme, the government provides 17 months of wages support to entities to retain their local employees during the period of economic uncertainty till August 2021. During the whole scheme period, the entity will receive the pay-outs in April 2020, July 2020, October 2020, March 2021 and June 2021 with an addition special payout in May 2020.

During the year ended 31 December 2020, grants amounting to S\$44,304, under Rental Relief Framework were received. Under Rental Relief Framework, qualifying property owners receive support via a government cash grant and they must in turn provide the necessary rental relief to their eligible small and medium enterprises or specified non-profit organisations tenant-occupiers of the prescribed properties under the Rental Relief Framework.

During the year ended 31 December 2020 and 2021, grants amounting to S\$321 and S\$6,152 respectively, under Skills Future Enterprise Credit were received. Under Skills Future Enterprise Credit, eligible employers receive a one-off subsidy to cover up to 90% of out-of-pocket expenses on qualifying costs for supportable initiatives, over and above the support levels of existing schemes.

10. OTHER GAINS

	2021 S\$	2020 S\$
Gain on disposal of property, plant and equipment and right-of-use assets	198,414	247,885
Gain on fair value change of investment properties	135,000	–
	333,414	247,885

11. FINANCE COSTS

	2021 S\$	2020 S\$
Interests on bank borrowings	2,018,123	1,792,441
Interest expenses on lease liabilities	460,892	613,954
	2,479,015	2,406,395

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12. INCOME TAX EXPENSE

	2021 S\$	2020 S\$
Current year:		
Singapore corporate income tax ("CIT")	664,980	–
Underprovision in prior years	44,044	–
	709,024	–
Deferred tax (<i>note 29</i>)	(595,998)	–
	113,026	–

Singapore CIT is calculated at 17% of the estimated assessable profit, all determined based on financial year end date of respective group companies. The Group is not eligible for CIT rebate in 2021 (2020: rebate of 25% of the assessable profit, capped at S\$15,000). Singapore incorporated companies can also enjoy 75% tax exemption on the first S\$10,000 of chargeable income and a further 50% tax exemption on the next S\$190,000 of chargeable income for both 2020 and 2021.

The reconciliation between the income tax expense and the product of profit before tax multiplied by the CIT rate is as follows:

	2021 S\$	2020 S\$
Profit before tax	2,078,569	572,550
Tax at Singapore CIT rate of 17% (2020: 17%)	353,357	97,333
Tax effect of expenses that are not deductible	213,625	179,757
Tax effect of income that is not taxable	(164,878)	(218,869)
Tax effect of temporary differences not recognised	(298,272)	(58,221)
Underprovision in prior years	44,044	–
Tax concession and partial tax exemption (<i>Note</i>)	(34,850)	–
Income tax expense	113,026	–

Note: Included in the amounts are additional 300% tax deductions/allowances for qualified capital expenditures and operating expenses under the Productivity and Innovation Credit ("PIC") scheme in Singapore for the Year of Assessment ("YA") 2020 and YA 2021.

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For the year ended 31 December 2021

13. PROFIT FOR THE YEAR

The Group's profit for the year is stated after charging/(crediting) the following:

	2021 S\$	2020 S\$
Auditors' remuneration		
– Audit service	152,000	150,000
– Non-audit services	14,000	15,000
Cost of materials recognised as an expense	38,114,364	38,334,663
Subcontractor costs recognised as cost of services	11,715,349	4,937,775
Depreciation of property, plant and equipment	2,865,219	3,805,088
Depreciation of right-of-use assets	2,623,021	2,512,150
Gain on disposal of property, plant and equipment and right-of-use assets	(198,414)	(247,885)
Gain on fair value change of investment properties	(135,000)	–
Direct operating expenses incurred for investment properties that generated rental income during the year	13,640	15,736

Cost of services includes staff costs and depreciation of approximately S\$13,497,463 (2020: S\$10,236,423) which are included in the amounts disclosed separately above.

14. EMPLOYEE BENEFITS EXPENSE

	2021 S\$	2020 S\$
Salaries, wages, bonuses and allowances	12,610,834	9,775,081
Retirement benefit scheme contributions	416,995	352,671
	13,027,829	10,127,752

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14. EMPLOYEE BENEFITS EXPENSE (Continued)

The five highest paid individuals in the Group during the year included three (2020: three) directors whose emoluments are reflected in note 15. The emoluments of the remaining two (2020: two) highest paid individuals are set out below:

	2021 S\$	2020 S\$
Salaries and allowances	279,200	221,376
Contributions to retirement benefit schemes	45,424	37,127
	324,624	258,503

The five highest paid individuals including directors fell within the following band:

	Number of individuals	
	2021	2020
HK\$1 to HK\$1,000,000	2	3
HK\$1,000,001 to HK\$1,500,000	1	–
HK\$3,000,001 to HK\$3,500,000	2	2
	5	5

During the year, no emoluments were paid by the Group to any of the directors or the five highest paid individuals as an inducement to join or upon joining the Group or as compensation for loss of office (2020: S\$Nil)

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15. BENEFITS AND INTERESTS OF DIRECTORS

(a) Directors' emoluments

The remuneration of every director in respect of a person's services as a director, whether of the Company or its subsidiary undertaking is set out below:

	Fees S\$	Salaries and allowances S\$	Discretionary bonus S\$	Retirement benefit scheme contributions S\$	Total S\$
Executive directors:					
Mr. Tan Chai Ling	-	499,440	-	24,480	523,920
Ms. Alynda Tan Hue Hong	-	499,440	-	24,480	523,920
Ms. Chong Sook Fern	-	139,440	-	23,712	163,152
	-	1,138,320	-	72,672	1,210,992
Independent non-executive directors:					
Prof. Pong Kam Keung	20,883	-	-	-	20,883
Mr. Siu Man Ho Simon	31,325	-	-	-	31,325
Mr. Yau Chung Hang	20,883	-	-	-	20,883
	73,091	-	-	-	73,091
Total for 2021	73,091	1,138,320	-	72,672	1,284,083

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15. BENEFITS AND INTERESTS OF DIRECTORS (Continued)

(a) Directors' emoluments (Continued)

	Fees S\$	Salaries and allowances S\$	Discretionary bonus S\$	Retirement benefit scheme contributions S\$	Total S\$
Executive directors:					
Mr. Tan Chai Ling	–	513,157	–	24,530	537,687
Ms. Alynda Tan Hue Hong	–	513,167	–	24,531	537,698
Ms. Chong Sook Fern	–	143,580	–	23,904	167,484
	–	1,169,904	–	72,965	1,242,869
Independent non-executive directors:					
Prof. Pong Kam Keung	21,386	–	–	–	21,386
Mr. Siu Man Ho Simon	32,077	–	–	–	32,077
Mr. Yau Chung Hang	21,386	–	–	–	21,386
	74,849	–	–	–	74,849
Total for 2020	74,849	1,169,904	–	72,965	1,317,718

Neither the chief executive nor any of the directors waived any emoluments during the year (2020: S\$Nil).

Note: The executive directors' emoluments shown above were for their services in connection with their services as directors of the Company. The independent non-executive directors' emoluments shown above were for their services as directors of the Company.

(b) Directors' material interests in transactions, arrangements or contracts

Except for those related party transactions and balances disclosed in note 37, no other significant transactions, arrangements and contracts in relation to the Group's business to which the Company was a party and in which a director of the Company and the director's connected party had a material interest, whether directly or indirectly, subsisted at the end of the year or at any time during the year.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

16. DIVIDENDS

No dividend has been paid or declared by the Company during the year (2020: S\$Nil).

17. EARNINGS PER SHARE

The calculation of the basic and diluted earnings per share is based on the following:

	2021 S\$	2020 S\$
Earnings for the purpose of basic earnings per share	1,965,543	572,550
Weighted average number of shares for the purpose of basic and diluted earnings per share	1,000,000,000	1,000,000,000

No diluted earnings per share has been presented as there was no potential ordinary shares outstanding for the years ended 31 December 2021 and 2020.

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For the year ended 31 December 2021

18. PROPERTY, PLANT AND EQUIPMENT

	Buildings at revalued amount S\$	Motor vehicles S\$	Plant and machinery S\$	Computers S\$	Furniture and fittings S\$	Equipment S\$	Leasehold improvement S\$	Total S\$
Cost								
At 1 January 2020	5,000,000	3,488,773	12,417,372	255,743	99,199	2,821,771	243,082	24,325,940
Additions	-	51,453	2,200	-	-	131,412	-	185,065
Disposals	-	(664,255)	(452,400)	(1,167)	-	(85,000)	-	(1,202,822)
Revaluation	(1,300,000)	-	-	-	-	-	-	(1,300,000)
Transfer from right-of-use assets	-	3,662,156	3,989,013	-	-	90,128	-	7,741,297
At 31 December 2020 and 1 January 2021	3,700,000	6,538,127	15,956,185	254,576	99,199	2,958,311	243,082	29,749,480
Additions	-	-	12,626	56,470	-	36,060	-	105,156
Disposals	-	(830,900)	(1,824,409)	-	-	(18,000)	-	(2,673,309)
Revaluation	(700,000)	-	-	-	-	-	-	(700,000)
Transfer from right-of-use assets	-	298,355	293,900	-	-	-	-	592,255
At 31 December 2021	3,000,000	6,005,582	14,438,302	311,046	99,199	2,976,371	243,082	27,073,582
Accumulated depreciation								
At 1 January 2020	-	2,772,207	6,222,126	240,430	99,199	1,182,410	128,586	10,644,958
Charge for the year	736,353	1,160,638	1,599,446	10,238	-	274,105	24,308	3,805,088
Eliminated on disposals	-	(595,063)	(364,169)	(940)	-	(85,000)	-	(1,045,172)
Eliminated on revaluation	(736,353)	-	-	-	-	-	-	(736,353)
Transfer from right-of-use assets	-	1,767,765	949,900	-	-	23,956	-	2,741,621
At 31 December 2020 and 1 January 2021	-	5,105,547	8,407,303	249,728	99,199	1,395,471	152,894	15,410,142
Charge for the year	526,962	586,489	1,416,787	14,308	-	296,365	24,308	2,865,219
Eliminated on disposals	-	(830,900)	(1,226,076)	-	-	(18,000)	-	(2,074,976)
Eliminated on revaluation	(526,962)	-	-	-	-	-	-	(526,962)
Transfer from right-of-use assets	-	65,504	29,390	-	-	-	-	94,894
At 31 December 2021	-	4,926,640	8,627,404	264,036	99,199	1,673,836	177,202	15,768,317
Carrying amount								
At 31 December 2021	3,000,000	1,078,942	5,810,898	47,010	-	1,302,535	65,880	11,305,265
At 31 December 2020	3,700,000	1,432,580	7,548,882	4,848	-	1,562,840	90,188	14,339,338

The Group's buildings were revalued at 31 December 2021 and 2020 on the open market value basis by reference to market evidence of recent transactions for similar properties by Teho Property Consultants Pte Ltd, an independent firm of licensed surveyors in Singapore.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

18. PROPERTY, PLANT AND EQUIPMENT (Continued)

If the buildings were stated on the historical cost basis, their carrying amounts would be as follows:

	2021 S\$	2020 S\$
Cost	6,811,267	6,811,267
Accumulated depreciation	(4,111,305)	(3,374,952)
	2,699,962	3,436,315

At 31 December 2021, the carrying amount of property, plant and equipment pledged as security for the Group's bank borrowings amounted to S\$3,000,000 (2020: S\$3,700,000).

19. INVESTMENT PROPERTIES

	2021 S\$	2020 S\$
At 1 January	2,180,000	2,180,000
Fair value gains	135,000	-
At 31 December	2,315,000	2,180,000

Investment properties are situated in Singapore and held under operating leases to earn rentals or for capital appreciation purposes.

The lease contracts do not contain residual value guarantee and/or lessee's option to purchase the property at the end of lease term.

The Group's investment properties were revalued as at 31 December 2021 and 2020 by Teho Property Consultants Pte Ltd, an independent firm of licensed surveyors and have appropriate professional qualifications and recent experience in the valuation of similar properties in Singapore. The fair values are based on comparable market transactions of similar properties in the neighbourhood that have been transferred in the open market. There has been no change from the valuation technique used during the financial year ended 31 December 2021.

At 31 December 2021, the carrying amount of investment properties pledged as a security for the Group's bank borrowings amounted to S\$2,315,000 (2020: S\$2,180,000).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

20. RIGHT-OF-USE ASSETS

	Dormitories S\$	Land S\$	Equipment S\$	Plant and machinery S\$	Motor vehicles S\$	Total S\$
Cost						
At 1 January 2020	158,051	205,944	407,733	10,984,443	5,444,008	17,200,179
Additions	77,573	–	132,963	1,192,000	541,172	1,943,708
Depreciation	(178,737)	(103,007)	(69,680)	(1,009,822)	(1,150,904)	(2,512,150)
Disposal	–	(29,327)	(48,814)	–	–	(78,141)
Transfer to property, plant and equipment	–	–	(66,172)	(3,039,113)	(1,894,391)	(4,999,676)
At 31 December 2020 and 1 January 2021	56,887	73,610	356,030	8,127,508	2,939,885	11,553,920
Additions	64,686	75,077	–	–	361,061	500,824
Depreciation	(95,715)	(98,636)	(29,829)	(1,073,069)	(1,325,772)	(2,623,021)
Disposal	–	–	–	–	(21,000)	(21,000)
Transfer to property, plant and equipment	–	–	–	(264,510)	(232,851)	(497,361)
At 31 December 2021	25,858	50,051	326,201	6,789,929	1,721,323	8,913,362

Lease liabilities of S\$9,623,669 (2020: S\$12,785,095) are recognised with related right-of-use assets of S\$8,913,362 as at 31 December 2021 (2020: S\$11,553,920). The Group's obligations are secured by the lessors' title to the leased assets for such leases.

	2021 S\$	2020 S\$
Depreciation expenses on right-of-use assets	2,623,021	2,512,150
Interest expense on lease liabilities (included in finance costs)	460,892	613,954
Expenses relating to short-term lease (included in administrative expenses and cost of services)	368,682	190,854

Details of total cash outflow for leases is set out in note 34(b).

For both years, the Group leases various dormitories, land, equipment, plant and machinery and motor vehicles for its operations. Lease contracts are entered into for fixed term of two years to six years (2020: two years to six years).

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

21. TRADE RECEIVABLES

	2021 S\$	2020 S\$
Trade debtors from contracts with customers	3,420,539	4,865,885
Less: Allowance for trade receivables	(68,567)	(68,567)
	3,351,972	4,797,318
Unbilled revenue (<i>Note</i>)	77,408,586	71,041,996
	80,760,558	75,839,314

Note: Unbilled revenue relates to maintenance services rendered and yet to invoice the customer as at end of reporting period.

The average credit terms to customers is approximately 30 days from the invoice date for trade receivables. The ageing analysis of trade receivables, based on the invoice date, and net of allowance, is as follows:

	2021 S\$	2020 S\$
Less than 30 days	1,683,446	1,559,743
31 days to 60 days	660,842	300,059
61 days to 90 days	216,910	1,385,292
More than 90 days	790,774	1,552,224
	3,351,972	4,797,318

All trade receivables were denominated in S\$.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

22. OTHER RECEIVABLES, DEPOSITS AND PREPAYMENTS

	2021 S\$	2020 S\$
Deposits	139,400	3,069,442
Prepayments	317,182	779,660
Others	226,330	94,244
	682,912	3,943,346

Include in deposits in 2020 are deposits paid in 2019 which amounted to S\$2,920,800 for building of asphalt mixing plant pursuant to a contract entered into by the Group with a third party with a total contract sum of S\$7,300,000. The deposit was fully refunded during 2021 due to the Group decided not to proceed with the contract.

23. CONTRACT ASSETS/CONTRACT LIABILITIES

Contract assets	2021 S\$	2020 S\$
Arising from performance under:		
– Construction services	37,682,800	27,918,103
Receivables from contracts with customers within the scope of IFRS 15, which are included in “Trade receivables”	77,408,586	71,041,996

Amounts relating to construction service are balances due from customers under construction contracts that arise when the revenue recognised to date exceeds the progress billings of the works performed. These amounts are transferred to trade receivables when the right become unconditional and usually at the point at which it is invoiced to the customer. A contract asset is recognised over the period in which the construction ancillary services are performed to present the Group’s right to consideration for the services transferred to date.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

23. CONTRACT ASSETS/CONTRACT LIABILITIES (Continued)

The changes in the contract assets balances during the reporting period arising from the resumption of the delay projects due to the outbreak of COVID-19 in previous years.

Contract liabilities	2021	2020
	S\$	S\$
Billings in advance of performance obligation		
– Construction services	26,163	1,465,194

Contract liabilities relating to construction services are balances due to customers under construction contracts. These arise if a particular milestone payment exceeds the revenue recognised to date under the cost-to-cost method.

The changes in the contract liabilities balances during the reporting period arising from received less advance payments from customers.

Movements in contract liabilities:

	2021	2020
	S\$	S\$
Balance at 1 January	1,465,194	152,556
Decrease in contract liabilities as a result of recognising revenue during the year was included in the contract liabilities at the beginning of the period	(1,465,194)	(152,556)
Increase in contract liabilities as a result of billing in advance of construction activities	26,163	1,465,194
Balance at 31 December	26,163	1,465,194

24. BANK DEPOSITS/BANK BALANCES AND CASH

The Group's bank deposits represented deposits pledged to banks to secure banking facilities granted to the Group as set out in note 27 to the consolidated financial statements.

Bank balances and bank deposits carry interest at prevailing market interest rate of 0.23% and 0.68% respectively (2020: 0.18% and 0.50%) per annum.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

25. TRADE AND OTHER PAYABLES

	2021 S\$	2020 S\$
Trade payables	14,065,988	18,184,777
Retention payables	1,406,466	702,287
Accruals	2,417,790	3,020,868
Other payables		
GST payables	421,981	46,350
Payroll payables	1,183,805	957,190
Others	682,938	736,033
	20,178,968	23,647,505

The ageing analysis of trade payables, based on the invoice date, is as follows:

	2021 S\$	2020 S\$
Within 90 days	9,049,471	13,624,581
91 days to 180 days	1,770,937	468,637
Over 180 days	3,245,580	4,091,559
	14,065,988	18,184,777

All trade payables were denominated in S\$.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

26. LEASE LIABILITIES

	Minimum lease payments		Present value of minimum lease payments	
	2021 S\$	2020 S\$	2021 S\$	2020 S\$
Within one year	4,697,961	4,716,564	4,394,258	4,280,079
More than one year, but not exceeding two years	3,380,095	4,343,261	3,268,237	4,083,867
More than two years, but not more than five year	2,036,113	4,560,430	1,961,174	4,421,149
	10,114,169	13,620,255	9,623,669	12,785,095
Less: Future finance charges	(490,500)	(835,160)	N/A	N/A
Present value of lease obligations	9,623,669	12,785,095	9,623,669	12,785,095
Less: Amount due for settlement within 12 months (shown under current liabilities)			(4,394,258)	(4,280,079)
Amount due for settlement after 12 months			5,229,411	8,505,016

The weighted average incremental borrowing rates applied to lease from 2.50% to 7.81% (2020: from 2.79% to 8.28%).

All finance lease payables were denominated in S\$.

27. BANK BORROWINGS

	2021 S\$	2020 S\$
Bank overdrafts – secure (Note (a))	2,796,357	3,990,039
Bank loans – secured		
Bank factoring (Note (b))	1,011,529	358,558
Trade financing (Note (c))	25,117,422	26,109,826
Other loans (Note (d))	26,378,911	15,929,781
	55,304,219	46,388,204

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

27. BANK BORROWINGS (Continued)

The bank borrowings are repayable as follows:

	2021 S\$	2020 S\$
On demand or within one year (including portion of bank loans that are due for repayment after one year but contain a repayment on demand clause)	53,447,488	44,845,902
More than one year, but not exceeding two years	436,424	459,796
More than two years, but not exceeding five years	1,006,291	268,122
More than five years	414,016	814,384
	55,304,219	46,388,204
Less: Amounts due within one year shown under current liabilities	(53,447,488)	(44,845,902)
Amounts shown under non-current liabilities	1,856,731	1,542,302

Notes:

- (a) The overdraft is secured by legal mortgages of the Group's properties disclosed in Notes 18 and 19 and corporate guarantees issued by the Company.
- (b) The loans are secured by floating charges against the Group's assets, including legal deeds of assignment of rights, title and interests on certain construction contracts and corporate guarantee issued by the Company. The factoring arrangements are repayable around 90 days (2020: around 90 days) upon the issuance of fund disbursement.
- (c) The loans are secured by floating charges against the Group's assets, including legal deeds of assignment of rights, title and interests on certain construction contracts and corporate guarantee issued by the Company. The loans are repayable within 90 to 150 days (2020: 90 to 150 days) upon the issuance of fund disbursement.
- (d) The loans are secured by fixed and floating charges against the Group's assets, including legal deeds of assignment of rights, title and interests on certain construction contracts and corporate guarantee issued by the Company and a legal mortgage over the properties disclosed in Notes 18 and 19.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

27. BANK BORROWINGS (Continued)

The ranges of effective interest rates (which are also equal to contracted interest rates) on the Group's borrowings are as follows:

	2021	2020
Fixed rate borrowings (per annum)	2.25% – 5.70%	2.25% – 8.75%
Variable rate borrowings (per annum)	5.75% below the bank's prevailing prime lending rate – 3.50% above the bank's cost of fund	4.10% below the bank prevailing enterprise financing rate – 2.50% above the bank's prevailing prime lending rate

All bank borrowings were denominated in S\$.

28. LOAN FROM THE ULTIMATE PARENT

Loan from the ultimate parent is unsecured, interest-free and repayable within twelve months from the drawn down date.

29. DEFERRED TAX LIABILITIES

The following are the deferred tax liabilities recognised by the Group.

	Accelerated tax depreciation S\$	Revaluation of buildings on leasehold S\$	Total S\$
At 1 January 2020	1,104,902	156,632	1,261,534
Credit to other comprehensive income for the year	–	(95,820)	(95,820)
At 31 December 2020 and 1 January 2021	1,104,902	60,812	1,165,714
Credit to profit or loss for the year	(595,998)	–	(595,998)
Credit to other comprehensive income for the year	–	(29,416)	(29,416)
At 31 December 2021	508,904	31,396	540,300

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

30. SHARE CAPITAL

	Number of shares		Amount	
	2021	2020	2021	2020
Ordinary shares of HK\$0.1 each				
Authorised:				
At beginning and end of year	2,000,000,000	2,000,000,000	HK\$200,000,000	HK\$200,000,000
Issued and fully paid:				
At 1 January 2020, 31 December 2020, 1 January 2021 and 31 December 2021	1,000,000,000	1,000,000,000	HK\$100,000,000	HK\$100,000,000
Presented in S\$			S\$17,381,244	S\$17,381,244

The Group manages its capital to ensure that it will be able to continue as a going concern while maximising the return to shareholders through the optimisation of the debt and equity balance.

The capital structure of the Group consists of debt, which includes leases liabilities and borrowings, as disclosed in Notes 26 and 27, respectively, net of bank balances and cash and equity attributable to owners of the Group, comprising share capital, reserves and retained profits.

The management of the Group reviews the capital structure from time to time. As a part of this review, the management considers the cost of capital and the risks associated with each class of capital. Based on recommendations of the management, the Group will balance its overall capital structure through the payment of dividends, the issue of new shares and new debts.

The Group's overall strategy remains unchanged during the current financial year.

The only externally imposed capital requirement is that for the Company to maintain its listing on the Stock Exchange it has to have a public float of at least 25% of the shares. The Company receives a report from the share registrars monthly on substantial share interests showing the non-public float and it demonstrates continuing compliance with the 25% limit throughout the year. As at 31 December 2021, 25% (2020: 25%) of the total shares were in public hands. There have been no breaches in the financial covenants of any interest-bearing borrowing for the years ended 31 December 2021 and 2020.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

31. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY

(a) Statement of financial position of the Company

	<i>Note</i>	2021 S\$	2020 S\$
Non-current assets			
Investment in a subsidiary		1	1
Current assets			
Due from subsidiaries		18,028,408	14,880,144
Other receivables		70,563	–
Cash and bank balances		412,816	420,890
		18,511,787	15,301,034
Current liabilities			
Other payables		270,371	342,607
Loan from the ultimate parent	28	3,680,000	–
		3,950,371	342,607
Net current assets		14,561,416	14,958,427
NET ASSETS		14,561,417	14,958,428
Capital and reserves			
Share capital	30	17,381,244	17,381,244
Reserves (<i>note b</i>)		(2,819,827)	(2,422,816)
TOTAL EQUITY		14,561,417	14,958,428

Approved by the Board of Directors on 31 March 2022 and is signed on its behalf by:

Tan Chai Ling
Director

Alynda Tan Hue Hong
Director

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

31. STATEMENT OF FINANCIAL POSITION AND RESERVE MOVEMENT OF THE COMPANY (Continued)

(b) Reserve movement of the Company

	Share premium S\$	Other reserve S\$	Accumulated losses S\$	Total S\$
At 1 January 2020	5,130,991	1	(7,338,191)	(2,207,199)
Loss for the year	–	–	(215,617)	(215,617)
At 31 December 2020 and 1 January 2021	5,130,991	1	(7,553,808)	(2,422,816)
Loss for the year	–	–	(397,011)	(397,011)
At 31 December 2021	5,130,991	1	(7,950,819)	(2,819,827)

32. RESERVES

(a) Group

The amounts of the Group's reserves and the movements therein are presented in the consolidated statement of profit or loss and other comprehensive income and consolidated statement of changes in equity.

(b) Nature and purpose of reserves

(i) Share premium

Share premium represents the excess of proceeds from share issue over the par value.

(ii) Other reserves

Other reserves arose on the group reorganisation in which Mr. Tan Chai Ling and Ms. Alynda Tan Hue Hong transferred 10,700,000 shares in Double-Trans Pte. Ltd. ("Double-Trans") and Samco Civil Engineering Pte. Ltd. ("Samco") to the Group.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

33. RETIREMENT BENEFIT SCHEMES

As prescribed by the Central Provident Fund Board of Singapore, the Group's employees employed in Singapore who are Singapore Citizens or Permanent Residents are required to join the Central Provident Fund scheme ("CPF Scheme"). The Group contributes up to 17% (2020: 17%) of the eligible employees' salaries to the CPF Scheme, with each employee's qualifying salary capped at S\$6,000 (2020: S\$6,000) per month.

The total costs charged to profit or loss, amounting to S\$352,671 and S\$416,995 for the years ended 31 December 2020 and 2021 respectively, represent contributions paid to the retirement benefits scheme by the Group.

As at 31 December 2020 and 2021, contributions of S\$78,028 and S\$79,525 respectively were accrued and the amount was paid subsequent to the end of the year.

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(a) Reconciliation of liabilities arising from financing activities

The table below details changes in the Group's liabilities arising from financing activities, including both cash and non-cash changes. Liabilities arising from financing activities are those for which cash flows were, or future cash flows will be, classified in the Group's consolidated statement of cash flows as cash flows from financing activities.

	Bank borrowings S\$	Lease liabilities S\$	Loan from the ultimate parent S\$	Bank deposits S\$	Total S\$
At 1 January 2020	40,564,563	14,412,344	-	(200,000)	54,776,907
Cash flows	4,031,200	(4,184,911)	-	-	(153,711)
Interest expenses	1,792,441	613,954	-	-	2,406,395
New finance leases (Note 34(c))	-	1,943,708	-	-	1,943,708
At 31 December 2020 and 1 January 2021	46,388,204	12,785,095	-	(200,000)	58,973,299
Cash flows	6,897,892	(4,123,142)	3,680,000	-	6,454,750
Interest expenses	2,018,123	460,892	-	-	2,479,015
New finance leases (Note 34(c))	-	500,824	-	-	500,824
At 31 December 2021	55,304,219	9,623,669	3,680,000	(200,000)	68,407,888

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

34. NOTES TO THE CONSOLIDATED STATEMENT OF CASH FLOWS

(Continued)

(b) Total cash outflow for leases

Amounts included in the statement of cash flows for leases comprise the following:

	2021 S\$	2020 S\$
Within operating cash flows	1,107,974	804,808
Within financing cash flows	3,161,426	3,570,957
	4,269,400	4,375,765

These amounts relate to the following:

	2021 S\$	2020 S\$
Lease rental paid	647,082	190,854
Payments for right-of-use assets	3,622,318	4,184,911
	4,269,400	4,375,765

(c) Major non-cash transaction

Additions to right-of-use assets during the year of S\$500,824 (2020: S\$1,943,708) were financed by leases liabilities.

35. CONTINGENT LIABILITIES

As at 31 December 2021, the Group did not have any significant contingent liabilities (2020: S\$Nil).

Notes to the Consolidated Financial Statements

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36. OPERATING LEASE ARRANGEMENTS

The Group as lessee

The Group regularly entered into short-term leases for land, equipment and machinery. As at 31 December 2021, the portfolio of short-term leases is similar to the portfolio of short-term leases to which the short-term lease expense disclosed in note 20.

The Group as lessor

Operating leases, in which the Group is the lessor, relate to investment properties owned by the Group with lease terms of two years. The lessee does not have an option to purchase the property at the expiry of the lease period.

Minimum lease payments receivable on leases are as follows:

	2021 S\$	2020 S\$
Within one year	91,000	98,160
In the second year	36,000	63,040
	127,000	161,200

The following table presents the amounts reported in profit or loss:

	2021 S\$	2020 S\$
Lease income on operating leases	283,429	287,306

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

37. RELATED PARTY TRANSACTIONS

- (a) In addition to those related party transactions and balances disclosed elsewhere in the consolidated financial statements, the Group had the following transactions and balances with its related parties:

	2021 S\$	2020 S\$
Year ended 31 December:		
Sales to a related company	46,729	233,480
Purchases from a related company	216,104	–
Subcontracting cost to a related company	–	122,347
Rental income received from a related company	32,000	56,000
At 31 December:		
Trade receivables from a related company	–	196,954
Trade payables to a related company	–	113,999
Other receivables from a related company	–	5,970
Other payables from a related company	–	32,225

Spouse of Ms. Alynda Tan Hue Hong has beneficial interests in this related company and beneficial interest was terminated on 13 August 2021.

- (b) The remuneration of directors and other members of key management during the year was as follows:

	2021 S\$	2020 S\$
Short-term benefits	1,417,520	1,391,280
Post – employment benefits	118,096	110,092
	1,535,616	1,501,372

38. FINANCIAL GUARANTEE

As at 31 December 2021 and 2020, the Company has provided a guarantee to banks in respect of loan facilities granted to the subsidiaries amounting to S\$43 million (2020: S\$54 million). The management is of the view that the fair value of the financial guarantee provided by the Company is not significant.

Notes to the Consolidated Financial Statements

For the year ended 31 December 2021

39. PARTICULARS OF SUBSIDIARIES

Particulars of the Company's subsidiaries at 31 December 2021 are as follows:

Name	Place of incorporation/ registration and operation	Issued and fully paid capital	Percentage of equity interests				Principal activities
			2021		2020		
			Direct	Indirect	Direct	Indirect	
Shuang Yun (BVI)	British Virgin Islands	US\$1	100%	-	100%	-	Investment holding
Double-Trans	Singapore	S\$22,880,000 (2020: S\$19,200,000)	-	100%	-	100%	Provision of mixed construction services, provision of domestic lorry transport and delivery services.
Samco	Singapore	S\$3,000,000	-	100%	-	100%	Provision of road construction and other civil engineering work.
Shuangyun Development Pte. Ltd.	Singapore	S\$1	-	100%	-	100%	Not yet commence business

None of the subsidiaries had any debt securities outstanding as at 31 December 2021 or at any time during the year.

Five Years Financial Summary

RESULTS	Year ended 31 December				2021 S\$
	2017 S\$	2018 S\$	2019 S\$	2020 S\$	
Revenue	65,640,278	90,783,991	112,271,679	65,445,959	78,415,848
Cost of services	(45,757,397)	(71,812,902)	(90,807,710)	(55,891,892)	(66,511,841)
Gross profit	19,882,881	18,971,089	21,463,960	9,554,067	11,904,007
Profit before tax	3,883,362	4,119,053	7,172,157	572,550	2,078,569
Profit for the year	2,616,642	3,111,244	5,485,339	572,550	1,965,543
Basic earnings per share (S\$cents)	0.33	0.31	0.55	0.06	0.20
ASSETS AND LIABILITIES	As at 31 December				2021
	2017 S\$	2018 S\$	2019 S\$	2020 S\$	S\$
Non-current assets	25,307,868	32,217,913	33,061,161	28,073,258	22,533,627
Current assets	73,984,854	79,636,720	104,490,212	113,282,056	124,715,495
Current liabilities	42,453,260	46,651,939	67,829,043	74,925,757	82,584,233
Net current assets	31,531,594	32,984,781	36,661,169	38,356,299	42,131,262
Total assets less current liabilities	56,839,462	65,202,694	69,722,330	66,429,557	64,664,889
Total equity	45,995,094	49,348,041	55,111,802	55,216,525	57,038,447
Non-current liabilities	10,844,368	15,854,653	14,610,528	11,213,032	7,626,442
Total equity and non-current liabilities	56,839,462	65,202,694	69,722,330	66,429,557	64,664,889
Selected Major Items	As at 31 December				2021
	2017 S\$	2018 S\$	2019 S\$	2020 S\$	S\$
Property, plant and equipment	22,857,868	30,037,913	13,680,982	14,339,338	11,305,265
Right-of-use assets	–	–	17,200,179	11,553,920	8,913,362
Trade receivables	48,684,786	52,839,414	65,316,750	75,839,314	80,760,558
Bank balances and cash	15,426,789	4,248,821	4,005,738	5,381,293	5,389,225
Trade and other payables	15,450,656	16,368,349	24,479,291	23,647,505	20,178,968
Obligation under finance leases	8,195,426	13,088,714	–	–	–
Lease liabilities	–	–	14,412,344	12,785,095	9,623,669
Borrowings	27,621,791	31,036,757	40,564,563	46,388,204	55,304,219

Five Years Financial Summary

CASH FLOWS

	Year ended 31 December				2021
	2017	2018	2019	2020	
	S\$	S\$	S\$	S\$	S\$
Net cash from/(used in) operating activities	(7,795,168)	(5,850,340)	(2,034,606)	1,230,655	(7,159,409)
Net cash from/(used in) investing activities	(1,702,227)	(175,861)	(829,753)	298,611	712,591
Net cash from/(used in) financing activities	24,528,670	(5,151,767)	2,621,276	(153,711)	6,454,750

CAPITAL EXPENDITURES

	Year ended 31 December				2021
	2017	2018	2019	2020	
	S\$	S\$	S\$	S\$	S\$
Payments for property, plant and equipment	2,019,703	296,190	1,229,081	185,065	105,156
Payments for right-of-use assets	–	–	137,847	–	–

DIVIDEND

	Year ended 31 December				2021
	2017	2018	2019	2020	
	S\$	S\$	S\$	S\$	S\$
Total dividend	2,200,000	–	–	–	–